

# APPENDIXES

**APPENDIX 1** PAGE 140  
FREEDOM OF INFORMATION STATEMENT

**APPENDIX 2** PAGE 144  
PRESENTATIONS AND PAPERS BY STAFF

**APPENDIX 3** PAGE 147  
STATISTICS

**APPENDIX 4** PAGE 152  
CONSULTANCY SERVICES

**APPENDIX 5** PAGE 154  
FINANCIAL STATEMENTS

# APPENDIX 1

## FREEDOM OF INFORMATION STATEMENT

Section 8 of the *Freedom of Information Act 1982* (FOI Act) requires each Australian Government agency to publish information about the way it is organised, its powers, the kinds of decisions it makes, the documents it holds, the way members of the public can obtain access to these documents and any arrangements for public involvement in the work of the agency.

The body of this annual report explains the organisation and major functions of the Commonwealth Ombudsman. This statement supplements that general information to meet the requirements of s 8 of the FOI Act. It is correct as at 30 June 2008.

### FUNCTIONS AND DECISION-MAKING POWERS OF THE OMBUDSMAN

The Commonwealth Ombudsman was established by the *Ombudsman Act 1976* (Ombudsman Act). The Act came into effect on 1 July 1977 and is administered by the Prime Minister. The Ombudsman is also the Defence Force Ombudsman, the Immigration Ombudsman, the Law Enforcement Ombudsman, the Postal Industry Ombudsman and the Taxation Ombudsman.

The national office of the Commonwealth Ombudsman and the office of the Australian Capital Territory Ombudsman are co-located in Canberra. Other offices are located in Adelaide, Alice Springs, Brisbane, Darwin, Hobart, Melbourne, Perth and Sydney.

The Ombudsman and Deputy Ombudsmen are statutory officers appointed under the Ombudsman Act. Staff are employed under the *Public Service Act 1999*.

### Investigation of administrative actions

Following a complaint from a member of the public, or using 'own motion' powers under the Ombudsman Act, the Ombudsman may investigate the administrative actions of most Australian Government departments and agencies and private contractors delivering government services.

The Ombudsman cannot investigate:

- the actions of government ministers or judges
- most employment-related matters (although the Defence Force Ombudsman can investigate employment-related complaints from current or former members of the Australian Defence Force)
- the actions of some government business enterprises.

The Ombudsman can decide not to investigate complaints that are 'stale' or frivolous, where the complainant has not first sought redress from the agency, where some other form of review or appeal is more appropriate, or where it is considered an investigation would not be warranted in all the circumstances.

The Ombudsman may conduct a complaint investigation as considered appropriate. The powers of the Ombudsman are similar to those of a Royal Commission, and include compelling an agency to produce documents and examining witnesses under oath. Most investigations are conducted with minimal formality.

Ombudsman investigations are private and details are generally not revealed to people

who are not legitimately concerned with the investigation. The Ombudsman's office is subject to the FOI Act and the *Privacy Act 1988*.

Following an investigation, the Ombudsman is required to consider whether the actions of the department or agency were unreasonable, unlawful, improperly discriminatory or otherwise wrong.

When the Ombudsman concludes that an agency has erred, the Ombudsman may report that view to the agency and recommend whatever remedial action the Ombudsman thinks is appropriate. If the agency does not implement that action, the Ombudsman can report to the Prime Minister and report to the Parliament. The Ombudsman must inform complainants of the action taken by the office in response to their complaints.

### **Defence Force Ombudsman**

Section 19C of the Ombudsman Act provides that the Commonwealth Ombudsman shall be the Defence Force Ombudsman (DFO). The DFO can investigate complaints from current or former members of the Australian Defence Force about Defence Force employment matters. The DFO cannot investigate most actions connected with disciplinary proceedings or the grant or refusal of an honour or award to an individual. The DFO investigates complaints from serving members only after they have exhausted internal grievance mechanisms, unless there are exceptional circumstances. The DFO also investigates complaints from ex-service personnel or their families.

### **Taxation Ombudsman**

Under s 4(3) of the Ombudsman Act, the Commonwealth Ombudsman may be designated as the Taxation Ombudsman when dealing with matters relating to the Australian Taxation Office.

### **Immigration Ombudsman**

Under s 4(4) of the Ombudsman Act, the Commonwealth Ombudsman may be designated as the Immigration Ombudsman when dealing with matters relating to immigration, including immigration detention. The Ombudsman has a specific statutory role under s 486O of the *Migration Act 1958* of reporting to the Minister for Immigration concerning the circumstances of any person who has been in immigration detention for two years or more.

### **Law Enforcement Ombudsman**

Under s 4(5) of the Ombudsman Act, the Commonwealth Ombudsman may be designated as the Law Enforcement Ombudsman when investigating complaints about the conduct and practices of the Australian Federal Police (AFP) and its members. There are special procedures applying to complaints about AFP officers contained in the *Australian Federal Police Act 1979* (AFP Act). Complaints about the conduct of AFP officers received prior to 2007 are dealt with under the *Complaints (Australian Federal Police) Act 1981* (Cth) (Complaints Act). This Act was repealed after relevant provisions of the *Law Enforcement (AFP Professional Standards and Related Measures) Act 2006* commenced on 30 December 2006.

The special procedures that applied under the Complaints Act to complaints about the AFP's practices and procedures or the conduct of individual AFP members, are explained in previous annual reports.

Complaints about the conduct of AFP officers received after 30 December 2006 are dealt with under the Ombudsman Act. In addition, under the AFP Act the Ombudsman is required to review the administration of the AFP's handling of complaints, through inspection of AFP records, at least annually. An aspect of this responsibility is to comment on the adequacy and comprehensiveness of the AFP's dealing with conduct and practices issues as well as its handling of inquiries ordered by the

Minister. The results of these reviews must be provided to Parliament on an annual basis.

### **The Ombudsman's intercept and surveillance devices audit**

Under the *Telecommunications (Interception and Access) Act 1979* and the *Surveillance Devices Act 2004*, the Ombudsman can inspect certain records of the AFP, the Australian Crime Commission (ACC) and the Australian Commission for Law Enforcement Integrity (ACLEI), and certain other agencies under specific circumstances, to ascertain whether the agencies have complied with specified recordkeeping requirements of the Acts.

### **Audit of controlled operations**

In accordance with the *Crimes Act 1914*, the Ombudsman is required to inspect and report on records of controlled operations conducted by the AFP, the ACC and ACLEI.

### **Postal Industry Ombudsman**

Section 19L of the Ombudsman Act provides that the Commonwealth Ombudsman shall be the Postal Industry Ombudsman (PIO). The PIO deals with complaints about postal service delivery by Australia Post and those private sector postal operators that elect to be members of the PIO scheme.

### **Complaints about freedom of information**

The FOI Act enables the Ombudsman to investigate complaints about actions and decisions by departments and agencies about requests for access to documents under FOI. Details of these complaints are included in the Ombudsman's annual reports and in any additional reports made to Parliament under s 19 of the Ombudsman Act. The FOI Act s 57(3) provides that an application cannot be made to the Administrative Appeals Tribunal for review of an FOI decision that is the subject of a complaint to the Ombudsman until the Ombudsman has finalised the investigation.

### **Australian Capital Territory (ACT) Ombudsman**

Under the *ACT Self-Government (Consequential Provisions) Act 1988* (Cth), the Commonwealth Ombudsman discharges the role of ACT Ombudsman. A services agreement between the Commonwealth Ombudsman and the ACT Government covers the discharge of this role. The work of the ACT Ombudsman is set out in a separate annual report made to the ACT Government pursuant to the *Ombudsman Act 1989* (ACT).

Under the *Public Interest Disclosure Act 1994* (ACT), the Ombudsman is a proper authority to receive and investigate public interest disclosures in relation to the actions of ACT Government agencies.

### **CATEGORIES OF DOCUMENTS HELD BY THE OMBUDSMAN**

The Ombudsman holds information related to:

- investigations, including complaints, correspondence and consultations with complainants, agencies and other information sources, background material, records of conversation, analysis and advice, and reports
- oversight functions
- the Ombudsman's role as the chief executive of an Australian Government agency with a particular set of responsibilities, in terms of the development or implementation of administrative process, policy or legislation
- the Ombudsman's management of the office, including personnel, contracting and financial records and information about asset management.

### **FOI access and contact**

General enquiries and requests for access to documents or other matters relating to FOI may be made in person, by telephone or in writing at any Commonwealth Ombudsman office. Each office is open between 9 am and 5 pm on weekdays. For the cost of a local call, people can contact the Commonwealth Ombudsman's office by calling 1300 362 072. (See contacts in 'References' section of this report.)

Under s 23 of the FOI Act, the Ombudsman has authorised the Deputy Ombudsmen, all Senior Assistant Ombudsmen, and some Executive Level officers to grant or refuse requests for access. Under an arrangement made outside the Act, the Ombudsman has agreed to officers at and above Executive Level 1 providing limited complaint information if requested by, or on behalf of, a complainant as detailed below.

### FOI requests to the Ombudsman's office

The Ombudsman's office deals with a moderate number of requests every year under the FOI Act (33 in 2007–08, compared to 34 in 2006–07), mostly for documents related to investigations. Following are some observations about how those requests are handled.

- The office tries to set a good standard of compliance. We do not require a complainant to submit an FOI request prior to Ombudsman staff providing certain kinds of documents:
  - documents previously and lawfully provided by or to the complainant by the Ombudsman's office or someone else
  - records of telephone conversations involving the complainant
  - most database entries relating to the complainant.
- In the course of investigation, we may provide an agency response to a complainant so that he or she can better understand the agency's position. It is likely that an investigation file could contain information and documents provided by other agencies—typically, the agency about which a complaint was made. Wherever possible, the Ombudsman will seek the other

agency's agreement to transfer to it those parts of the request that relate to its functions. This is done because the other agency is usually much better placed to make an informed decision about the content and context of the documents, in light of their experience in dealing with similar requests.

- A further consideration is that if the request is not transferred, the other agency would have a legitimate interest in making suggestions about the decisions the Ombudsman should make. The Ombudsman would not be bound to accept those suggestions, but they would have to be given considerable weight. From the point of view of the complainant, if there is a complaint about an FOI process, it is probably better that the Ombudsman's office has been involved as little as possible.

The Ombudsman's office has raised with the Government, in the context of a current review of the Ombudsman Act, whether the office should be subject to the FOI Act. Some other Ombudsman offices in Australia are exempt from the FOI Act in their jurisdiction. The explanation given is that it can be unsuitable to apply the Act to an office that has the function of investigating complaints against other government agencies, including complaints about FOI matters. Many of the documents held by the Ombudsman's office will have come either from the complainant or the agency under investigation, or be internal working documents of the Ombudsman's office that contain interim expressions of opinion about other agencies that should not be disclosed publicly unless that agency has first been given an opportunity to comment on the opinion consistently with natural justice and the Ombudsman Act s 8(5).

## APPENDIX 2

### PAPERS AND PRESENTATIONS BY STAFF

Airo-Farulla, G. 2007, *The role of the Ombudsman and administrative law*, presentation to Inspector-General Australian Defence Force Investigation Officer Course

Anderson, R. 2008, *Current issues of FOI and the administration of the Office of the Commonwealth Ombudsman*, presentation to Japanese Cabinet officials, Canberra

Brent, R. 2007, *The role of the Ombudsman and administrative law*, presentation to Australian Fisheries Management Authority, Canberra

- 2007, *The role of the Ombudsman and administrative law*, presentation to Australian National Audit Office, Canberra
- 2007 and 2008, *Senior Executive Service Transforming Leadership Programs*, presentations to APSC Leadership, Melbourne, Bowral, Canberra
- 2007, *Common faults in administrative investigation*, presentation to Inspector-General Australian Defence Force, Brisbane
- 2007, *The developing role of the Ombudsman in achieving administrative justice*, presentation to Continuing Legal Education Law Society Seminar, Canberra
- 2008, *A perspective on leadership*, presentation to Comcare EL1 Leadership Program, Canberra

Clendinning, A. 2008, *The role of the Ombudsman*, presentation to APSC SES Orientation, Canberra

Coleman, P. 2007, *The role of the Ombudsman*, presentation to APSC SES Orientation Program for Department of Health and Ageing, Canberra

Fleming, H. and Colley, M. 2007, presentation to annual National Employment Services Association Conference, Coolum

Fleming, H. 2007, *The role of the Ombudsman and administrative law*, presentations to APSC SES Orientation, Canberra

Masri, G. 2007, *The role of the Ombudsman*, presentations to APSC SES Orientation, Canberra

- 2008, *Ten lessons for public service*, presentation to Migration Review Tribunal-Refugee Review Tribunal, Sydney and Melbourne

Matcham, R. 2007, *The role of the Ombudsman*, presentations to APSC SES Orientation, Canberra

McMillan, J. 2007, *How ACT agencies can improve service delivery and response to complaints*, presentation to Executive Meeting of ACT Department of Justice and Community Safety, Canberra

- 2007, *30 Years of complaint handling—What have we learned?* Presentation to Department of Veterans' Affairs SES Forum, Canberra
- 2007, *Immigration referred cases: lessons for government*, presentation to Institute of Public Administration Australia Lunchtime Seminar on Lessons Learned from the Referred Cases, Canberra

- 2007, *Integrity and accountability in government—an Ombudsman's perspective*, presentation to Northern Territory Commonwealth Club Forum, Darwin
- 2007, *The role of the Ombudsman*, presentation to Northern Territory Members of Parliament Forum, Darwin
- 2007, *Best practice in complaint handling*, presentation to Society of Consumer Affairs Professionals 2007 Symposium, Melbourne
- 2007, *Improving government—Lessons from the Ombudsman review of immigration administration*, presentation to Northern Territory Institute of Public Administration Australia/Australian Institute of Administrative Law members, Darwin
- 2007, *Who watches the watchers?*, presentation to Annual Conference Australian Mayoral Aviation Council, Brisbane
- 2007, *Ombudsman oversight of policing and defence in Australia*, presentation to Law Enforcement and Defence complaint handling workshop, Papua New Guinea
- 2007, *Government administrative compensation schemes*, guest lecture at University of NSW Graduate law program, Sydney
- 2007, *Human rights charters: how important to improving government?*, Alice Tay Lecture on Law and Human Rights, Canberra
- 2007, *Natural Justice: Too much, too little, or just right?*, presentation to Australian Institute of Administrative Law (SA Chapter), Adelaide
- 2007, Guest speaker at MHCA launch 'Let's Get to Work! A National Mental Health Employment Strategy for Australia', Canberra
- 2007, *Designing an effective oversight body—Ombudsman or independent commissioner?*, presentation to 5th International Conference of Information Commissioners, Wellington, New Zealand
- 2007, *Celebrating ten years of the Taxpayers' Charter*, address to 10th anniversary of the Taxpayers' Charter function, Canberra
- 2008, Launch of Alice Springs office, Alice Springs
- 2008, *The role of the Ombudsman and administrative law*, presentation to Insolvency Trustee Services Australia Senior Management Workshop, Canberra
- 2008, *Lessons for public administration*, presentation to Department of Finance and Deregulation Learning Centre Program for Senior Staff, Canberra
- 2008, *The role of the Ombudsman*, presentation to APSC SES Orientation, Canberra
- 2008, *Governance and leadership*, presentation to Department of Immigration and Citizenship 2008 SES Speaker Program, Canberra
- 2008, *Risk areas for faulty decision making*, presentation to 2008 Government Business Conference, Sydney
- 2008, *Postal complaints—issues and trends*, presentation to Postal Agents Officers Association annual conference, Launceston
- 2008, *The expanding Ombudsman role—what fits and what doesn't fit*, presentation to 24th Australasian and Pacific Ombudsman Region Conference, Melbourne
- 2008, *What's in a name? The use of the term Ombudsman*, presentation to Australian New Zealand Ombudsman Conference, Melbourne



- 2008, *Best practice in complaint handling*, presentation to ACT Human Rights Commission, Canberra
- 2008, *Ten lessons learned for public administration—What the ACCC can learn from them*, presentation to Australian Competition and Consumer Commission Senior Management Conference
- 2008, *Dealing with detention issues*, guest lecture at Australian National University Faculty of Law, Canberra
- 2008, *Introduction to anti-corruption law and policy in Australia and Fighting corruption while safeguarding human rights*, presentations to China-Australia Human Rights Technical Cooperation Program Anti-Corruption Seminar, China
- 2008, *Administrative Law Review: How ombudsmen and tribunals work alongside each other*, presentation to South Australian Chapter of the Council of Australasian Tribunals, Adelaide
- 2008, *FOI and privacy: Do they belong together?*, presentation to Privacy Contact Officer Network, Canberra

Merryfull, D. 2008, *Ten lessons learned for public administration*, presentation to Governance and Government Relations, ATO, Canberra

- 2008, *The role of the Ombudsman*, presentation to APSC SES Orientation, Canberra

Stankevicius, A. 2008, *The role of the Ombudsman*, presentation to APSC SES Orientation, Canberra

Thom, V. 2007, *Complaints and disciplinary procedures*, presentation to Professions Australia workshop, Canberra

- 2007, *Ten lessons learned*, presentation to ComSuper, Canberra
- 2007, *The role of the Ombudsman and administrative law*, presentation to ACT Agency Contact Officers Forum, Canberra
- 2007, *The role of the Ombudsman and administrative law*, presentation to the Pakistan Association of Australia, Sydney
- 2008, *Ten lessons learned*, presentation to Continuing Legal Education Law Society Seminar, Canberra
- 2008, *The role of the Ombudsman*, presentation to ACT Agency Contact Officers Forum, Canberra



# APPENDIX 3

## STATISTICS

### EXPLANATIONS OF TERMS USED IN TABLE A1

**Approaches/complaints finalised**—approaches/complaints finalised in 2007–08, including some complaints carried over from previous years

**Approaches/complaints received**—approaches/complaints received in 2007–08

**Category 1 approaches**—resolved without investigation, outcomes include decisions not to investigate and referrals to appropriate agency or authority

**Category 2 approaches**—approaches that cannot be resolved at category 1 and require further internal enquiries/research or more information from the complainant, resolved without contacting the agency

**Category 3 approaches**—investigation conducted and agency contacted

**Category 4 approaches**—further investigation conducted, as the complaint was not able to be resolved in category 3

**Category 5 approaches**—further investigation conducted, as the complaint was not able to be resolved in category 4; involves formal reporting processes

**Remedies**—complaints can contain a number of issues, each requiring separate investigation and possibly resulting in a number of different remedies

**TABLE A1** Approaches and complaints about Australian Government agencies, received and finalised, and remedies, 2007–08.

AGENCY		RECEIVED		FINALISED					REMEDIES							
	Total	Not investigated	Investigated			Total	Action expedited	Apology	Decision changed/reconsidered	Explanation	Financial remedy	Law, policy or practice changed	Other non-financial remedy	Total		
			Category 1	Category 2	Category 3										Category 4	Category 5
<b>Agriculture, Fisheries and Forestry</b>																
Department of Agriculture, Fisheries and Forestry	19		2	12	3	2	-	19	1	-	4	-	3	-	1	9
Australian Fisheries Management Authority	8		-	6	2	-	-	8	-	-	1	1	-	-	-	2
Australian Pesticides and Veterinary Medicines Authority	3		-	2	-	-	-	2	-	-	-	-	-	-	-	-
Australian Quarantine and Inspection Service	67		11	24	11	1	-	47	2	-	-	15	-	1	1	19
Australian Wine and Brandy Corporation	-		-	-	-	1	-	1	-	-	-	-	-	-	-	-
<b>Attorney-General's</b>																
Attorney-General's Department	41		6	26	5	2	-	39	-	-	-	6	-	-	-	6
Administrative Appeals Tribunal	32		7	20	3	1	-	31	-	-	2	-	-	-	-	2
Australian Crime Commission	4		2	3	-	-	-	5	-	-	-	-	-	-	-	-
Australian Customs Service	105		41	48	11	2	-	102	-	-	-	14	-	1	1	15
Australian Institute of Criminology	2		1	-	1	-	-	2	-	-	-	-	-	-	-	-
Family Court of Australia	31		14	17	-	-	-	31	-	-	-	-	-	-	-	-
Federal Court of Australia	14		2	12	-	1	-	15	-	-	-	-	-	-	-	-
Federal Magistrates Court of Australia	12		2	9	2	-	13	-	1	-	2	-	3	-	-	3
High Court of Australia	7		1	5	1	-	-	7	-	1	-	-	-	-	-	1
Insolvency and Trustee Service Australia	56		17	33	11	2	-	63	3	2	1	13	-	1	1	20
National Capital Authority	3		-	2	-	-	-	2	-	-	-	-	-	-	-	-
National Native Title Tribunal	1		1	-	-	-	-	1	-	-	-	-	-	-	-	-
Office of the Commonwealth Director of Public Prosecutions	9		1	6	3	-	-	10	-	-	-	1	-	-	-	1
<b>Broadband, Communications and the Digital Economy</b>																
Department of Broadband, Communications and the Digital Economy	20		14	6	-	-	-	20	-	-	-	-	-	-	-	-
Australian Broadcasting Corporation	9		-	8	1	-	-	9	-	-	1	-	-	-	-	1
Australian Communications and Media Authority	48		26	16	6	3	-	51	-	2	2	6	-	-	-	10
Australian Postal Corporation	2,063		621	653	695	47	1	2,017	86	149	85	439	199	14	143	1,115
Special Broadcasting Service Corporation	2		-	2	-	-	-	2	-	-	-	-	-	-	-	-
Telstra Corporation	-		-	1	-	-	-	1	-	-	-	-	-	-	-	-
<b>Commonwealth Parliamentary Services</b>																
Department of Parliamentary Services	4		-	1	2	-	-	3	1	-	-	1	-	-	-	2
<b>Defence</b>																
Department of Defence	135		31	74	24	3	-	132	5	2	1	17	1	-	3	29
Australian Air Force Cadets	1		-	1	-	-	-	1	-	-	-	-	-	-	-	-
Australian Army	138		30	55	48	4	-	137	9	2	3	28	4	2	1	49
Australian Army Cadets	3		1	2	-	-	-	3	-	-	-	-	-	-	-	-

AGENCY	RECEIVED	FINALISED					REMEDIES										
		Total	Not Investigated		Investigated			Total	Action expedited	Apology	Decision changed/reconsidered	Explanation	Financial remedy	Law, policy or practice changed	Other non-financial remedy	Total	
			Category 1	Category 2	Category 3	Category 4	Category 5										
		3	1	1	-	-	2	-	-	-	-	-	-	-	-	-	Total
	Australian Navy Cadets																
	Australian War Memorial	1	-	1	-	-	1	-	-	-	-	-	-	-	-	-	-
	Defence Force Retirement and Death Benefits Authority	5	-	1	5	-	6	-	2	-	-	3	1	-	-	-	6
	Defence Housing Australia	28	6	15	6	2	29	-	-	1	2	1	1	1	-	-	6
	Defence Service Homes	2	1	1	-	-	2	-	-	-	-	-	-	-	-	-	-
	Department of Veterans' Affairs	139	30	53	56	15	154	17	13	17	17	40	12	2	5	106	
	Royal Australian Air Force	48	17	13	13	5	48	5	1	2	10	4	1	-	-	23	
	Royal Australian Navy	59	9	26	16	3	54	4	1	1	1	10	1	-	3	20	
	Education, Employment and Workplace Relations																
	Department of Education, Employment and Workplace Relations	721	259	264	149	27	699	10	10	32	126	13	4	16	-	211	
	Australian Industrial Registry	2	1	1	-	-	2	-	-	-	-	-	-	-	-	-	
	Australian National University	12	2	8	4	2	17	1	-	2	-	-	-	-	-	3	
	Comcare	79	16	35	21	4	77	3	2	3	11	4	2	2	27	27	
	Office of Workplace Ombudsman	665	584	64	11	1	660	3	2	4	5	-	-	1	15	15	
	Office of Workplace Services	-	-	-	2	2	4	2	3	-	1	-	-	-	6	6	
	Workplace Authority	39	24	10	2	2	38	-	-	-	6	-	1	-	7	7	
	Environment, Water, Heritage and the Arts																
	Department of the Environment, Water, Heritage and the Arts	42	7	9	22	3	41	13	11	-	6	4	-	1	35	35	
	Australian Film Commission	-	-	1	-	-	1	-	-	-	-	-	-	-	-	-	
	Australian Heritage Council	1	-	1	-	-	1	-	-	-	-	-	-	-	-	-	
	Great Barrier Reef Marine Park Authority	4	-	4	-	-	4	-	-	-	-	-	-	-	-	-	
	National Gallery of Australia	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	National Museum of Australia	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sydney Harbour Federation Trust	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Families, Housing, Community Services and Indigenous Affairs																
	Department of Families, Housing, Community Services and Indigenous Affairs	165	17	35	35	3	90	1	-	-	18	-	-	4	23	23	
	Aboriginal Hostels Limited	5	1	1	-	-	2	-	-	-	-	-	-	-	-	-	
	Central Land Council	5	1	4	-	-	5	-	-	-	-	-	-	-	-	-	
	Indigenous Business Australia	17	3	6	6	-	15	-	-	-	-	-	-	-	-	-	
	Indigenous Land Corporation	1	-	2	1	-	2	-	-	-	-	-	-	-	-	-	
	Northern Land Council	7	2	2	1	-	5	-	-	-	-	-	-	-	-	-	
	Office of Indigenous Policy Coordination	-	-	1	1	-	2	-	-	-	-	-	-	-	-	-	
	Office of the Registrar of Aboriginal and Torres Strait Islander Corporations	11	4	2	6	-	12	1	-	-	-	-	-	-	1	1	

AGENCY	RECEIVED			FINALISED					REMEDIES						
	Total	Not Investigated			Investigated		Total	Action expedited	Apology	Decision changed/reconsidered	Explanation	Financial remedy	Law, policy or practice changed	Other non-financial remedy	Total
		Category 1	Category 2	Category 3	Category 4	Category 5									
Social Security Appeals Tribunal	51	7	32	6	-	-	45	1	-	1	5	-	-	1	8
Tiwi Land Council	2	-	-	1	-	-	1	-	-	-	-	-	-	1	1
<b>Finance and Deregulation</b>															
Department of Finance and Deregulation	23	3	12	6	3	-	24	1	1	-	1	-	-	1	4
Australian Electoral Commission	50	14	26	9	-	-	49	-	-	-	7	-	2	1	10
Commissioner for Superannuation (ComSuper)	33	12	7	9	1	-	29	5	2	-	4	1	-	1	13
<b>Foreign Affairs and Trade</b>															
Department of Foreign Affairs and Trade	148	52	70	27	8	1	158	4	6	4	19	4	2	2	41
Australian Agency for International Development (AusAID)	4	1	3	2	1	-	7	-	-	1	2	-	-	-	3
Australian Trade Commission	5	2	1	2	-	-	5	-	-	-	1	-	-	-	1
<b>Health and Ageing</b>															
Department of Health and Ageing	116	37	44	10	4	-	95	-	2	1	5	1	1	-	10
Aged Care Standards and Accreditation Agency Ltd (The)	1	-	-	1	-	-	1	-	-	-	-	-	-	-	-
Australian Sports Commission	3	2	-	-	-	2	2	-	-	-	-	-	-	-	-
Food Standards Australia New Zealand	3	1	2	-	-	-	3	-	-	-	-	-	-	-	-
National Health and Medical Research Council	3	1	1	1	-	-	3	1	1	-	1	-	-	-	3
Office of Hearing Services	1	-	-	1	-	-	1	-	-	-	-	-	-	-	-
Office of the Aged Care Commissioner	2	-	1	1	-	-	2	-	-	-	1	-	-	-	1
<b>Human Services</b>															
Department of Human Services	8	3	2	4	4	-	13	-	2	1	8	-	-	1	12
Australian Hearing	1	-	1	-	-	-	1	-	-	-	-	-	-	-	-
Centrelink	7573	4,199	1,547	1,460	173	3	7,382	266	113	248	1,050	282	10	99	2,068
Child Support Agency	2,208	892	629	541	63	-	2,125	99	64	73	525	38	4	35	838
Commonwealth Rehabilitation Service	24	7	13	3	-	-	23	-	-	-	3	-	-	-	3
Health Services Australia	2	-	1	-	1	-	2	-	-	-	-	-	-	-	-
Medicare Australia	125	51	45	30	1	-	127	5	1	5	23	3	-	4	41
Professional Services Review	3	-	3	-	-	-	3	-	-	-	-	-	-	-	-
<b>Immigration and Citizenship</b>															
Department of Immigration and Citizenship	1,528	318	585	427	91	-	1,421	84	44	48	345	23	13	71	628
Migration Agents Registration Authority	23	3	11	6	3	-	23	1	1	-	2	-	1	1	6
Migration Review Tribunal and Refugees Review Tribunal	31	2	19	5	2	-	28	3	2	2	1	-	-	-	8
<b>Infrastructure, Transport, Regional Development and Local Government</b>															
Department of Infrastructure, Transport, Regional Development and Local Government	35	7	28	5	1	-	41	1	-	-	-	-	-	-	1

AGENCY	RECEIVED		FINALISED					REMEDIES						
	Total	Not Investigated	Investigated			Total	Action expedited	Apology	Decision changed/reconsidered	Explanation	Financial remedy	Law, policy or practice changed	Other non-financial remedy	Total
			Category 1	Category 2	Category 3									
Airservices Australia	8		1	6	-	1	-	8	-	-	-	-	-	-
Civil Aviation Safety Authority	18		6	8	1	1	-	16	-	-	1	-	-	1
Innovation, Industry, Science and Research														
Department of Innovation, Industry, Science and Research	46		20	17	4	2	1	44	1	-	3	5	3	2
AusIndustry	23		3	13	6	2	-	24	-	-	2	9	2	1
Commonwealth Scientific and Industrial Research Organisation	9		4	4	-	-	-	8	-	-	-	-	-	-
IP Australia	9		4	4	-	-	-	8	-	-	-	-	-	-
Prime Minister and Cabinet														
Department of the Prime Minister and Cabinet	12		1	7	3	1	-	12	-	-	-	2	-	2
Australian Public Service Commission	9		8	1	-	-	-	9	-	-	-	-	-	-
Governor-General and Commander-in-Chief	-		-	-	1	-	-	1	-	-	-	-	-	-
National Archives of Australia	9		-	7	2	-	-	9	1	-	-	2	-	3
Office of the Privacy Commissioner	47		21	16	8	1	-	46	-	1	2	2	-	5
Resources, Energy and Tourism														
Department of Resources, Energy and Tourism	3		1	2	-	-	-	3	-	-	-	-	-	-
Treasury														
The Treasury	5		2	3	-	-	-	5	-	-	-	-	-	-
Australian Bureau of Statistics	40		25	12	4	-	-	41	2	-	1	4	-	7
Australian Competition and Consumer Commission	36		13	16	3	3	-	35	1	-	-	5	-	7
Australian Prudential Regulation Authority	83		41	29	8	-	-	78	-	-	-	5	3	1
Australian Securities and Investments Commission	189		23	127	28	9	1	188	5	2	4	33	1	2
Australian Taxation Office	1,219		379	673	104	26	-	1,182	14	9	13	82	16	9
Australian Valuation Office	4		3	-	-	-	-	3	-	-	-	-	-	-
Productivity Commission	1		-	1	-	-	-	1	-	-	-	-	-	-
Reserve Bank of Australia	1		1	-	-	-	-	1	-	-	-	-	-	-
Superannuation Complaints Tribunal	11		1	7	2	1	-	11	-	-	-	1	-	1
Tax Agents' Board	14		2	4	3	1	-	10	1	1	-	2	-	4
Australian Federal Police														
Australian Federal Police	353		123	288	32	8	5	456	1	1	2	-	3	1
Private Postal Operators	4		2	1	2	-	-	5	-	-	1	-	2	-
ACT Government Agencies	541		142	236	166	14	3	561	17	11	23	105	11	8
Approaches about out-of-jurisdiction agencies/requests for information	20,311		17,313	2,959	-	-	-	20,272	-	-	-	-	-	-
Total	39,932		25,569	9,129	4,719	564	17	39,398	683	466	598	3,042	640	75
														436
														5,940

Note: for those agencies that were abolished as a result of the Administrative Arrangement Orders issued on 3 December 2007, and about which we received a small number of approaches and complaints in 2007-08, we have counted these approaches and complaints against the agency which received the function that was the subject of the complaint. This approach has not been possible for agencies about which we received a larger number of complaints. Nor has it been possible to adjust for the transfer of functions between agencies.

## APPENDIX 4

### CONSULTANCY SERVICES

The office engages consultants when the expertise required is not available within the organisation or when the specialist skills required are not available without diverting resources from other higher priority tasks. In accordance with procurement guidelines, consultants are selected by open tender, panel arrangements, select tendering or direct sourcing.

Table A2 provides details of consultancy services let by the office during 2007–08 with a contract value (GST inclusive) of \$10,000 or more.

#### ADVERTISING AND MARKET RESEARCH

Advertising is used to publicise the office's services. No advertising contracts were let in 2007–08. The office's advertising strategies were designed and conceived in-house. Recruitment and tender notices were placed in newspapers at a cost of \$34,794; and advertisements to publicise the

office's services were placed in newspapers and journals at a cost of \$14,754. Notices and advertisements were placed through hma Blaze.

Instinct and Reason conducted two market research surveys on behalf of the office in 2006–07 and 2007–08:

- a survey of agencies in 2006–07 to ascertain their views about our effectiveness and interactions, and to identify areas where we could improve processes to lead to speedier and more effective resolution of complaints
- a survey of complainants in 2007–08 to obtain information on three key aspects—access, demographics and quality of service.

In 2007–08 a payment of \$15,400 was made to Instinct and Reason for the agency survey. Through oversight, another payment of \$15,400 made in 2006–07 for that survey was not reported in our last annual report. Other payments totalling \$93,610 were made to Instinct and Reason in 2007–08 for the survey of complainants.

**TABLE A2** Consultancy services, 2007–08

Consultant name	Description	Contract price	Selection process <sup>(1)</sup>	Justification <sup>(2)</sup>
ThinkPlace Pty Ltd trading as ThinkPlace Trust	Provision of facilitation services	\$11,880	Select Tender	B
McPherson Consulting Pty Ltd	Own motion investigation into the administration of the CDDA Scheme by specified agencies	\$37,125	Direct Sourcing	B
Courage Partners Pty Ltd	Development and delivery of performance audit training	\$16,500	Select Tender	B
Instinct and Reason Pty Ltd	Market research services	\$104,610	Select Tender	B
<b>Total</b>		<b>\$170,115</b>		

**Definitions****(1) Selection process**

Select tender—procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders. Tenders are invited from a short list of competent suppliers.

Direct sourcing—a form of restricted tendering, available only under certain defined circumstances, with a single potential supplier or suppliers being invited to bid because of their unique expertise and/or their special ability to supply the goods and/or services sought.

Open tender—procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders. Public tenders are sought from the marketplace using national and major metropolitan newspaper advertising and the Australian Government AusTender internet site.

Panel—an arrangement under which a number of suppliers, usually selected through a single procurement process, may each supply property or services to an agency as specified in the panel arrangements. Tenders are sought from suppliers that have pre-qualified on the agency panels to supply to the government. This category includes standing offers and supplier panels where the consultant offers to supply goods and services for a pre-determined length of time, usually at a pre-arranged price.

**(2) Justification for decision to use consultancy**

A—skills currently unavailable within agency

B—need for specialised or professional skills

C—need for independent research or assessment



## APPENDIX 5

# FINANCIAL STATEMENTS



### INDEPENDENT AUDITOR'S REPORT

**Cabinet Secretary and Special Minister of State**

#### Scope

I have audited the accompanying financial statements of the Office of the Commonwealth Ombudsman for the year ended 30 June 2008, which comprise: a Statement by the Commonwealth Ombudsman and Chief Financial Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

#### *The Responsibility of the Commonwealth Ombudsman for the Financial Statements*

The Commonwealth Ombudsman is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Office of the Commonwealth Ombudsman's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of the Commonwealth Ombudsman's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commonwealth Ombudsman, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### ***Independence***

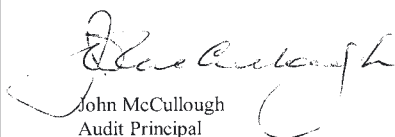
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

#### **Auditor's Opinion**

In my opinion, the financial statements of the Office of the Commonwealth Ombudsman:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Office of the Commonwealth Ombudsman's financial position as at 30 June 2008 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



John McCullough  
Audit Principal

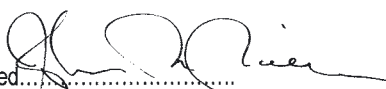
Delegate of the Auditor-General

Canberra  
4 September 2008

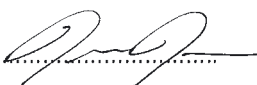
## OFFICE OF THE COMMONWEALTH OMBUDSMAN

STATEMENT BY THE COMMONWEALTH OMBUDSMAN AND  
CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2008 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Signed.....

Professor John McMillan  
Commonwealth Ombudsman

Signed.....

Jill Jepson  
Chief Finance Officer

4 September 2008

4 September 2008

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

## INCOME STATEMENT

*for the year ended 30 June 2008*

	Notes	2008 \$	2007 \$
<b>INCOME</b>			
<b>Revenue</b>			
Revenue from government	3A	17,881,000	17,579,000
Sale of goods and rendering of services	3B	1,513,253	1,326,486
<b>Total Revenue</b>		<b>19,394,253</b>	<b>18,905,486</b>
<b>Gains</b>			
Other gains	3C	21,000	18,000
<b>Total Gains</b>		<b>21,000</b>	<b>18,000</b>
<b>TOTAL INCOME</b>		<b>19,415,253</b>	<b>18,923,486</b>
<b>EXPENSES</b>			
Employee benefits	4A	14,146,030	13,423,736
Suppliers	4B	5,103,123	4,566,785
Depreciation and amortisation	4C	783,203	687,232
Write-down and impairment of assets	4D	11,857	–
Losses from asset sales	4E	27,915	41,920
<b>TOTAL EXPENSES</b>		<b>20,072,128</b>	<b>18,719,673</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(656,875)</b>	<b>203,813</b>

A5

APPENDIX 5 FINANCIAL STATEMENTS

The above statement should be read in conjunction with the accompanying notes.

A5

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

## BALANCE SHEET

as at 30 June 2008

	Notes	2008 \$	2007 \$
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5A	159,590	58,634
Trade and other receivables	5B	5,144,485	5,092,337
<b>Total financial assets</b>		<b>5,304,075</b>	<b>5,150,971</b>
<b>Non-financial assets</b>			
Infrastructure, plant and equipment	6A	1,411,558	1,842,360
Intangibles	6C	311,337	406,012
Other non-financial assets	6D	149,858	211,401
<b>Total non-financial assets</b>		<b>1,872,753</b>	<b>2,459,773</b>
<b>TOTAL ASSETS</b>		<b>7,176,828</b>	<b>7,610,744</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	623,352	657,064
Other payables	7B	415,971	516,372
<b>Total payables</b>		<b>1,039,323</b>	<b>1,173,436</b>
<b>Provisions</b>			
Employee provisions	8A	3,286,926	3,078,854
Other provisions	8B	366,877	286,792
<b>Total provisions</b>		<b>3,653,803</b>	<b>3,365,646</b>
<b>TOTAL LIABILITIES</b>		<b>4,693,126</b>	<b>4,539,082</b>
<b>NET ASSETS</b>		<b>2,483,702</b>	<b>3,071,662</b>
<b>EQUITY</b>			
Contributed equity		2,145,000	1,996,000
Reserves		135,167	215,252
Retained surplus		203,535	860,410
<b>TOTAL EQUITY</b>		<b>2,483,702</b>	<b>3,071,662</b>
<b>Current liabilities</b>		<b>3,882,343</b>	<b>3,843,392</b>
<b>Non-current liabilities</b>		<b>810,783</b>	<b>695,690</b>
<b>Current assets</b>		<b>5,453,933</b>	<b>5,362,372</b>
<b>Non-current assets</b>		<b>1,722,895</b>	<b>2,248,372</b>

The above statement should be read in conjunction with the accompanying notes.

OFFICE OF THE COMMONWEALTH OMBUDSMAN  
STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 June 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

	Retained Earnings		Asset Revaluation Reserve		Contributed Equity/Capital		Total Equity	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance	860,410	656,597	215,252	215,252	1,996,000	1,937,000	3,071,662	2,808,849
Income and Expense								
Revaluation adjustment	–	–	(80,085)	–	–	–	(80,085)	–
Subtotal income and expenses recognised directly in equity	–	–	(80,085)	–	–	–	(80,085)	–
Surplus/(deficit) for the year	(656,875)	203,813	–	–	–	–	(656,875)	203,813
Total income and expenses	(656,875)	203,813	(80,085)	–	–	–	(736,960)	203,813
Transactions with Owners								
Contributions by Owners								
Appropriation (equity injection)	–	–	–	–	149,000	59,000	149,000	59,000
Sub-total Transactions with Owners	–	–	–	–	149,000	59,000	149,000	59,000
Closing balance at 30 June	203,535	860,410	135,167	215,252	2,145,000	1,996,000	2,483,702	3,071,662

The above statement should be read in conjunction with the accompanying notes.

A5

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

## CASH FLOW STATEMENT

for the year ended 30 June 2008

	Notes	2008 \$	2007 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		17,829,290	15,947,265
Goods and services		2,549,997	1,347,643
Net GST received		335,076	381,875
<b>Total cash received</b>		<b>20,714,363</b>	<b>17,676,783</b>
<b>Cash used</b>			
Employees		(14,742,760)	(13,146,128)
Suppliers		(5,644,006)	(5,022,524)
<b>Total cash used</b>		<b>(20,386,766)</b>	<b>(18,168,652)</b>
<b>Net cash flows from/(used by) operating activities</b>	9	<b>327,597</b>	<b>(491,869)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of infrastructure, plant and equipment		–	2,692
<b>Total cash received</b>		<b>–</b>	<b>2,692</b>
<b>Cash used</b>			
Purchase of infrastructure, plant and equipment		(146,034)	(663,103)
Purchase of intangibles		(139,607)	(210,936)
<b>Total cash used</b>		<b>(285,641)</b>	<b>(874,039)</b>
<b>Net cash flows from/(used by) investing activities</b>		<b>(285,641)</b>	<b>(871,347)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations – contributed equity		59,000	1,089,000
<b>Total cash received</b>		<b>59,000</b>	<b>1,089,000</b>
<b>Net cash flows from/(used by) financing activities</b>		<b>59,000</b>	<b>1,089,000</b>
<b>Net increase/(decrease) in cash held</b>		<b>100,956</b>	<b>(274,216)</b>
Cash and cash equivalents at the beginning of the reporting period		58,634	332,850
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<b>159,590</b>	<b>58,634</b>

The above statement should be read in conjunction with the accompanying notes.



OFFICE OF THE COMMONWEALTH OMBUDSMAN  
**SCHEDULE OF COMMITMENTS**  
*as at 30 June 2008*

A5

APPENDIX 5 FINANCIAL STATEMENTS

	2008 \$	2007 \$
<b>BY TYPE</b>		
<b>Commitments Receivable</b>		
Sale of goods and services	1,014,075	–
Grant income	753,605	805,017
Net GST recoverable on commitments	196,303	416,008
<b>Total commitments receivable</b>	<b>1,963,983</b>	<b>1,221,025</b>
<b>Capital Commitments</b>	–	–
<b>Total capital commitments</b>	–	–
<b>Other Commitments</b>		
Operating leases	3,927,010	4,576,085
<b>Total other commitments</b>	<b>3,927,010</b>	<b>4,576,085</b>
<b>Net commitments by type</b>	<b>1,963,027</b>	<b>3,355,060</b>
<b>BY MATURITY</b>		
<b>Commitments Receivable</b>		
<b>Sale of goods and services</b>		
One year or less	1,014,075	–
From one to five years	–	–
Over five years	–	–
<b>Total sale of goods and services</b>	<b>1,014,075</b>	–
<b>Grants receivable</b>		
One year or less	366,791	418,203
From one to five years	386,814	386,814
Over five years	–	–
<b>Total grants receivable</b>	<b>753,605</b>	<b>805,017</b>
<b>Net GST recoverable on commitments</b>		
One year or less	(14,945)	113,742
From one to five years	211,248	302,266
Over five years	–	–
<b>Total net GST recoverable on commitments</b>	<b>196,303</b>	<b>416,008</b>

The above schedule should be read in conjunction with the accompanying notes.

A5

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

## SCHEDULE OF COMMITMENTS (CONT'D)

as at 30 June 2008

	2008 \$	2007 \$
<b>Commitments Payable</b>		
<b>Operating lease commitments</b>		
One year or less	1,216,466	1,251,162
From one year to five years	2,710,544	3,324,923
Over five years	—	—
<b>Total operating lease commitments</b>	<b>3,927,010</b>	<b>4,576,085</b>
<b>Net commitments by maturity</b>	<b>1,963,027</b>	<b>3,355,060</b>

Note: Commitments are GST inclusive where relevant.

Operating leases included are effectively non-cancellable and comprise:

- leases for office accommodation
- agreements for the provision of motor vehicles to senior executive officers.

The operating leases are adjusted periodically by the Consumer Price Index (CPI). The commitments above do not include an estimate of the future impact of CPI adjustments due to the impracticality of reliably estimating the impact and the immateriality of the likely impact.

The above schedule should be read in conjunction with the accompanying notes.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

**NOTE 1—Summary of Significant Accounting Policies****1.1 Ombudsman Objectives**

The Office of the Commonwealth Ombudsman is an Australian Public Service Organisation. The Office of the Commonwealth Ombudsman seeks to provide a cost-effective form of independent administrative review, which is timely, informal and involves no direct cost to individuals. Coverage is comprehensive, embracing almost all of the administrative activity of Commonwealth departments and agencies.

Through the handling of complaints and the conduct of own motion investigations, the office contributes to continuous improvement in the performance of agencies and their accountability to Government, the Parliament and the community.

The Ombudsman is structured to meet one outcome:

Outcome 1: Administrative action by Australian Government agencies is fair and accountable.

The office's activities contributing towards this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the office in its own right. The Ombudsman's office has no administered activities.

Departmental activities are identified under two headings for Outcome 1: Output 1 is Review of administrative action and Output 2 is Review of statutory compliance in specified areas.

The office does not conduct any administered activities.

The continued existence of the Ombudsman's office in its present form, and with its present programs, is dependent on Government policy and legislation and on continuing appropriations by Parliament for the office's administration and programs.

**1.2 Basis of Preparation of the Financial Statements**

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general-purpose financial report.

The Financial Statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2007; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with the historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008**NOTE 1—Summary of Significant Accounting Policies (Cont'd)****1.2 Basis of Preparation of the Financial Statements (Cont'd)**

The financial report is presented in Australian dollars.

Unless an alternative treatment is specifically required by an accounting standard or FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the Entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments.

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The office has had no administered revenues, expenses, assets, liabilities or cash flows in the year ended 30 June 2008 or in the comparative financial year.

**1.3 Significant Accounting Judgements and Estimates**

No accounting assumptions or estimates or other judgements have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

**1.4 Statement of Compliance*****Adoption of new Australian Accounting Standard requirements***

No accounting standard has been adopted earlier than the application date as stated in the standard. The following new standard is applicable to the current reporting period:

***Financial instrument disclosure***

AASB 7 *Financial Instruments: Disclosures* is effective for reporting periods beginning on or after 1 January 2007 (the 2007–08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than that previously required. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will effect the disclosure presented in future financial reports.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

**NOTE 1—Summary of Significant Accounting Policies (Cont'd)****1.4 Statement of Compliance (Cont'd)**

The following new standards, amendments to standards or interpretations for the current financial year have no material financial impact on the office.

- 2007-4 *Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments and Erratum: Proportionate Consolidation*
- 2007-7 *Amendments to Australian Accounting Standards*
- UIG Interpretation 11 AASB 2 – *Group and Treasury Share Transactions* and 2007-1 *Amendments to Australian Accounting Standards arising from AASB Interpretation 11.*

***Future Australian Accounting Standard requirements***

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

- AASB Interpretation 12 *Service Concession Arrangements* and 2007-2 *Amendments to Australian Accounting Standards arising from AASB Interpretation 12*
- AASB 8 *Operating Segments* and 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8*
- 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123*
- AASB Interpretation 13 *Customer Loyalty Programmes*
- AASB Interpretation 14 AASB 119 – *The Limit on a Defined Asset, Minimum Funding Requirements and their Interaction.*

***Other***

The following standards and interpretations have been issued but are not applicable to the operations of the office.

***AASB 1049 Financial Reporting of General Government Sectors by Governments***

AASB 1049 specifies the reporting requirements for the General Government Sector and therefore has no effect on the office's financial statements.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

## NOTE 1—Summary of Significant Accounting Policies (Cont'd)

## 1.5 Revenue

*Revenue from government*

Amounts appropriated for departmental outputs for the year (adjusted for any formal additions and reductions) are recognised as revenue when the office gains control of the appropriations, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations received are recognised at their nominal amounts.

*Resources Received Free of Charge*

Resources received free of charge are recorded as either revenue or gains depending on their nature ie whether they have been generated in the course of the ordinary activities of the Ombudsman's office.

*Other types of revenue*

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

## NOTE 1—Summary of Significant Accounting Policies (Cont'd)

## 1.6 Gains

***Resources received free of charge***

Resources received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government Agency or Authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Resources received free of charge are recorded as either revenue or gains depending on their nature that is whether they have been generated in the course of the ordinary activities of the Ombudsman's office.

***Sale of assets***

Gains from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

## 1.7 Transactions with the Government as Owner

***Equity injections***

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

***Restructuring of Administered Arrangements***

Net assets received from or relinquished to another Australian Government Agency or Authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

***Other distributions to owners***

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend. In 2007–08, no amounts were returned to the Official Public Account.



## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008**NOTE 1—Summary of Significant Accounting Policies (Cont'd)****1.8 Employee Benefits**

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

***Leave***

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Ombudsman's office is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the office's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the estimated future cash flows to be made in respect of all employees at 30 June 2008. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

***Separation and redundancy***

Provision is also made for separation and redundancy payments in circumstances where the office has formally identified positions as excess to requirements and a reliable estimate of the amount of the payments can be determined.

***Superannuation***

Staff of the Ombudsman's office are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Commonwealth. The PSSap is a defined contribution scheme.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

**NOTE 1—Summary of Significant Accounting Policies (Cont'd)****1.8 Employee Benefits (Cont'd)**

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

The Ombudsman's office makes employer contributions to the Employee Superannuation Scheme at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the office's employees. The office's accounts for the contributions as if they were contributions to defined contributions plans.

The liability for superannuation recognised at 30 June 2008 represents outstanding contributions for the final fortnight of the year.

**1.9 Leases**

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

**1.10 Borrowing Costs**

All borrowing costs are expensed as incurred.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008**NOTE 1—Summary of Significant Accounting Policies (Cont'd)****1.11 Cash**

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

**1.12 Financial Assets**

The office's classifies its financial assets in the following categories:

- financial assets as 'at fair value through profit or loss',
- 'held-to-maturity investments',
- 'available-for-sale' financial assets, and
- 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon 'trade date'.

***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets 'at fair value through profit or loss'.

***Financial assets at fair value through profit or loss***

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- has been acquired principally for the purpose of selling in the near future;
- is a part of an identified portfolio of financial instruments that the agency manages together and has a recent actual pattern of short-term profit-taking; or
- is a derivative that is not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

**NOTE 1—Summary of Significant Accounting Policies (Cont'd)****1.12 Financial Assets (Cont'd)**

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

***Available-for-Sale Financial Assets***

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the asset within 12 months of the balance sheet date.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part or all of the cumulative gain or loss previously recognised in the reserve is included profit for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments cost is used. The office has no such instruments.

***Held-to-maturity***

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

***Loans and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

***Impairment of financial assets***

Financial assets are assessed for impairment at each balance date.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

## NOTE 1—Summary of Significant Accounting Policies (Cont'd)

## 1.12 Financial Assets (Cont'd)

*Financial assets held at amortised cost* – If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Income Statement.

*Available for sale financial assets* – If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Income Statement.

*Available for sale financial assets (held at cost)* – If there is objective evidence that an impairment loss has been incurred the amount of impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

## 1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss are initially measured at fair value.

Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

***Other financial liabilities***

Other financial liabilities, including borrowings, are measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

**NOTE 1—Summary of Significant Accounting Policies (Cont'd)****1.13 Financial Liabilities (Cont'd)*****Supplier and other payables***

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

**1.14 Contingent Liabilities and Contingent Assets**

Contingent Liabilities and Contingent Assets are not recognised in the Balance Sheet but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

**1.15 Financial Guarantee Contracts**

Financial guarantee contracts are accounted for in accordance with AASB 139. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137.

**1.16 Acquisition of Assets**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

**1.17 Property, Plant and Equipment*****Asset Recognition Threshold***

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, 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 initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the office where there exists an obligation to restore the property to its original condition. These costs are included in the value of the office's leasehold improvements with a corresponding provision for the 'makegood' taken up.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

## NOTE 1—Summary of Significant Accounting Policies (Cont'd)

## 1.17 Property, Plant and Equipment (Cont'd)

**Revaluations**

Fair values for each class of asset are determined as shown below:

Asset Class	Fair Value measured at:
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market selling price

Following initial recognition at cost, property, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through the operating result. Revaluation decrements for a class of assets are recognised directly through operating result except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

**Depreciation**

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the office using, in most cases, the straight line method of depreciation. Leasehold improvements are depreciated over the lesser of the estimated useful life of the improvements or the unexpired period of the lease taking into consideration options available at the end of lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2008	2007
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 9 Years	3 to 9 years

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

**NOTE 1—Summary of Significant Accounting Policies (Cont'd)****1.17 Property, Plant and Equipment (Cont'd)*****Impairment***

All assets were assessed for impairment at 30 June 2008. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the office were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**1.18 Intangibles**

The office's intangibles comprise purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the software is 1 to 8 years (2006–07: 1 to 8 years).

All software assets were assessed for indications of impairment as at 30 June 2008.

**1.19 Taxation**

The office is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

**1.20 Reporting of Administered Activities**

The office has had no administered revenues, expenses, assets, liabilities or cash flows in the year ended 30 June 2008 or in the comparative financial year.



## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008**NOTE 2—Events occurring after the Balance Sheet Date**

No significant events occurred after balance date that would materially affect the financial statements.

2008	2007
\$	\$

**NOTE 3 – Revenue**Note 3A – Revenues from Government

Appropriations:

Departmental outputs	17,881,000	17,579,000
<b>Total revenues from government</b>	<b>17,881,000</b>	<b>17,579,000</b>

Note 3B – Sale of goods and rendering of services

Rendering of services to:

Rendering of services – related entities	506,666	442,586
Rendering of services – external entities	1,006,587	883,900
<b>Total sale of goods and rendering of services</b>	<b>1,513,253</b>	<b>1,326,486</b>

**Gains**Note 3C – Other gains

Resources received free of charge	21,000	18,000
<b>Total other gains</b>	<b>21,000</b>	<b>18,000</b>

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

	2008 \$	2007 \$
<b>NOTE 4—Operating Expenses</b>		
<u>Note 4A – Employee benefits</u>		
Wages and salaries	10,694,718	11,109,866
Superannuation		
Defined contribution plans	424,557	318,868
Defined benefit plans	1,499,569	1,476,642
Leave and other entitlements	1,354,629	226,222
Other employee expenses	172,557	162,545
Separation and redundancies	–	129,593
<b>Total employee benefits</b>	<b>14,146,030</b>	<b>13,423,736</b>
<u>Note 4B – Suppliers</u>		
Provision of goods – related entities	–	–
Provision of goods – external entities	325,833	316,567
Rendering of services – related entities	600,825	754,945
Rendering of services – external entities	2,826,280	2,383,435
Operating lease rentals <sup>1</sup>	1,224,260	1,004,159
Workers' compensation premiums	125,925	107,679
<b>Total supplier expenses</b>	<b>5,103,123</b>	<b>4,566,785</b>
<sup>1</sup> These comprise minimum lease payments only.		
<u>Note 4C – Depreciation and amortisation</u>		
<u>Depreciation</u>		
Infrastructure, plant and equipment	548,921	458,742
<b>Total depreciation</b>	<b>548,921</b>	<b>458,742</b>
<u>Amortisation</u>		
Intangibles – Computer Software	234,282	228,490
<b>Total depreciation and amortisation</b>	<b>783,203</b>	<b>687,232</b>

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

	2008 \$	2007 \$
<b>NOTE 4—Operating Expenses (Cont'd)</b>		
<u>Note 4D – Write-down and impairment of assets</u>		
Asset Write-Downs from		
Impairment on financial instruments*	11,857	—
<b>Total write-down and impairment of assets</b>	<b>11,857</b>	<b>—</b>

\* For full disclosure on the impairment on financial instruments, see note 12B

Note 4E – Losses from asset sales

Infrastructure, plant and equipment		
Proceeds from sale	—	(2,692)
Carrying value of assets sold	27,915	42,581
Selling expense	—	—
Intangibles		
Proceeds from sale	—	—
Carrying value of assets sold	—	2,031
Selling expense	—	—
<b>Total losses from asset sales</b>	<b>27,915</b>	<b>41,920</b>

**NOTE 5—Financial Assets**Note 5A – Cash and cash equivalents

Cash at bank and on hand	159,590	58,634
<b>Total cash and cash equivalents</b>	<b>159,590</b>	<b>58,634</b>

Note 5B – Trade and other receivables

Goods and services	273,483	309,001
GST receivable from the Australian Taxation Office	50,414	92,601
Appropriation receivable – for existing outputs	4,832,445	4,690,735
<b>Total trade and other receivables (gross)</b>	<b>5,156,342</b>	<b>5,092,337</b>

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

	2008 \$	2007 \$
<b>NOTE 5—Financial Assets (Cont'd)</b>		
<u>Note 5B – Trade and other receivables (Cont'd)</u>		
Less: Allowance for doubtful debts		
Goods and services	11,857	–
<b>Total trade and other receivables (net)</b>	<b>5,144,485</b>	<b>5,092,337</b>
Receivables are represented by:		
Current	5,144,485	5,092,337
Non-current	–	–
<b>Total trade and other receivables (net)</b>	<b>5,144,485</b>	<b>5,092,337</b>
All receivables are current assets. Credit terms are net 30 days (2007: 30 days).		
Receivables (gross) are aged as follows:		
Not Overdue	5,091,479	5,091,724
Overdue by:		
less than 30 days	64,863	113
30 to 60 days	–	–
61 to 90 days	–	–
More than 90 days	–	500
<b>Total trade and other receivables (gross)</b>	<b>5,156,342</b>	<b>5,092,337</b>
The allowance for doubtful debt is aged as follows:		
Not Overdue	11,857	–
Overdue by:		
less than 30 days	–	–
30 to 60 days	–	–
61 to 90 days	–	–
More than 90 days	–	–
<b>Total allowance for doubtful debts</b>	<b>11,857</b>	<b>–</b>
<b>Reconciliation of the allowance for doubtful debts:</b>		
Opening balance	–	–
Increase/decrease recognised in net result	11,857	–
<b>Closing balance</b>	<b>11,857</b>	<b>–</b>

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

	2008 \$	2007 \$
<b>NOTE 6—Non-financial assets</b>		
<u>Note 6A – Infrastructure, plant and equipment</u>		
<b><i>Leasehold improvements</i></b>		
At fair value	1,468,624	1,430,288
Accumulated depreciation	(716,712)	(459,036)
<b><i>Total leasehold improvements</i></b>	<b>751,912</b>	<b>971,252</b>
 <b><i>Plant and equipment</i></b>		
At fair value	1,481,867	1,455,286
Accumulated depreciation	(822,221)	(584,178)
<b><i>Total plant and equipment</i></b>	<b>659,646</b>	<b>871,108</b>
 <b><i>Total Infrastructure, plant and equipment</i></b>	<b>1,411,558</b>	<b>1,842,360</b>

Formal valuations are generally undertaken where management considers there is a material/ significant difference between the carrying value of the asset and its fair value. In between formal revaluations the office monitors the assets ensuring the fair value of the assets is materially correct. This is conducted annually.

No indicators of impairment were found for infrastructure, plant and equipment.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

**NOTE 6—Non-financial assets (Cont'd)**Note 6B – Analysis of infrastructure, plant and equipment**TABLE A****Reconciliation of the opening and closing balances of infrastructure, plant and equipment (2007–08)**

Item	Leasehold Improvements \$	Plant and Equipment \$	Total \$
As at 1 July 2007			
Gross Book Value	1,430,288	1,455,286	2,885,574
Accumulated Depreciation	(459,036)	(584,178)	(1,043,214)
<b>Net book value 1 July 2008</b>	<b>971,252</b>	<b>871,108</b>	<b>1,842,360</b>
Additions:			
by purchase	38,336	107,698	146,034
Net revaluation increment/(decrement)	—	—	—
Reclassification	—	—	—
Depreciation expense	(257,676)	(291,245)	(548,921)
Disposals			
Other disposals	—	(27,915)	(27,915)
<b>Net book value 30 June 2008</b>	<b>751,912</b>	<b>659,646</b>	<b>1,411,558</b>
Net book value as at 30 June 2008 represented by:			
Gross Book Value	1,468,624	1,481,867	2,950,491
Accumulated depreciation	(716,712)	(822,221)	(1,538,933)
	<b>751,912</b>	<b>659,646</b>	<b>1,411,558</b>

**TABLE B****Reconciliation of the opening and closing balances of infrastructure, plant and equipment (2006–07)**

Item	Leasehold Improvements \$	Plant and Equipment \$	Total \$
As at 1 July 2006			
Gross Book Value	1,109,640	1,213,829	2,323,469
Accumulated Depreciation	(298,354)	(344,535)	(642,889)
<b>Net book value 1 July 2008</b>	<b>811,286</b>	<b>869,294</b>	<b>1,680,580</b>
Additions:			
by purchase	402,002	261,101	663,103
Net revaluation increment/(decrement)	—	—	—
Reclassification	(13,565)	13,565	—
Depreciation expense	(201,931)	(256,811)	(458,742)
Disposals			
Other disposals	(26,540)	(16,041)	(42,581)
<b>Net book value 30 June 2007</b>	<b>971,252</b>	<b>871,108</b>	<b>1,842,360</b>
Net book value as at 30 June 2007 represented by:			
Gross Book Value	1,430,288	1,455,286	2,885,574
Accumulated depreciation	(459,036)	(584,178)	(1,043,214)
	<b>971,252</b>	<b>871,108</b>	<b>1,842,360</b>

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

	2008 \$	2007 \$
<b>NOTE 6—Non-financial assets (Cont'd)</b>		
<u>Note 6C – Intangibles</u>		
Computer software:		
Purchased – at cost	1,061,520	1,128,915
Accumulated amortisation	(750,183)	(722,903)
<b>Total intangibles (non-current)</b>	<b>311,337</b>	<b>406,012</b>

No indicators of impairment were found for intangible assets.

**TABLE C**  
**Reconciliation of opening and closing balances of intangibles**

Item	Computer software purchased 2007–08 \$	Computer software purchased 2006–07 \$
<b>As at 1 July 2007</b>		
Gross book value	1,128,915	946,593
Accumulated amortisation	(722,903)	(520,996)
<b>Net book value 1 July 2007</b>	<b>406,012</b>	<b>425,597</b>
Additions:		
by purchase	139,607	210,936
by finance lease	–	–
Reclassifications	–	–
Amortisation	(234,282)	(228,490)
Impairments recognised in the operating result	–	–
Other movements	–	–
Disposals:		
from disposal of entities or operations (including restructuring)	–	–
other disposals	–	(2,031)
<b>Net book value 30 June 2008</b>	<b>311,337</b>	<b>406,012</b>
<b>Net book value as of 30 June 2008 represented by:</b>		
Gross book value	1,061,520	1,128,915
Accumulated amortisation	(750,183)	(722,903)
	<b>311,337</b>	<b>406,012</b>

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

	2008 \$	2007 \$
<b>NOTE 6—Non-financial assets (Cont'd)</b>		
<u>Note 6D – Other non-financial assets</u>		
Prepayments	<u>149,858</u>	<u>211,401</u>
All other non-financial assets are current assets.		
<b>NOTE 7—Payables</b>		
<u>Note 7A – Suppliers payables</u>		
Trade creditors and accruals	<u>623,352</u>	<u>657,064</u>
All supplier payables are current liabilities. Settlement is usually made net 30 days.		
<u>Note 7B – Other payables</u>		
Unearned income	329,839	401,073
Lease incentives	<u>86,132</u>	<u>115,299</u>
<b>Total other payables</b>	<u><b>415,971</b></u>	<u><b>516,372</b></u>
Other payables are represented by:		
Current	355,801	430,240
Non Current	<u>60,170</u>	<u>86,132</u>
<b>Total other payables</b>	<u><b>415,971</b></u>	<u><b>516,372</b></u>



## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

	2008 \$	2007 \$
<b>Note 8—Provisions</b>		
<u>Note 8A – Employee provisions</u>		
Salaries and wages	170,187	98,173
Leave	2,975,739	2,787,715
Superannuation	141,000	154,169
Separation and redundancy	—	38,797
<b>Total employee provisions</b>	<b>3,286,926</b>	<b>3,078,854</b>
<b>Employee provisions are represented by:</b>		
Current	2,839,580	2,714,768
Non-current	447,346	364,086
<b>Total employee provisions</b>	<b>3,286,926</b>	<b>3,078,854</b>

The classification of current includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Employee leave provisions expected to be settled in 12 months from the reporting date are \$947,091 (2007: \$810,860), in excess of one year are \$2,028,648 (2007: \$1,976,855).

	2008 \$	2007 \$
<u>Note 8B – Other provisions</u>		
Restoration obligations	366,877	286,792
<b>Other provisions are represented by:</b>		
Current	63,610	41,320
Non-current	303,267	245,472
<b>Total Other Provisions</b>	<b>366,877</b>	<b>286,792</b>
Carrying amount at the beginning of the year	286,792	306,049
Additional provisions made	80,085	—
Amounts reversed	—	(19,257)
Carrying amount at the end of the year	<b>366,877</b>	<b>286,792</b>

The office currently has seven (2007: seven) agreements for the leasing of premises which have provisions requiring the office to restore the premises to their original condition at the conclusion of the lease. The Ombudsman's office has made a provision to reflect the present value of these obligations.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

	2008	2007
	\$	\$
<b>Note 9—Cash flow reconciliation</b>		
<b><i>Reconciliation of cash and cash equivalents per Balance Sheet to Cash Flow Statement</i></b>		
Report cash and cash equivalents as per:		
Cash Flow Statement	159,590	58,634
Balance Sheet	159,590	58,634
Difference	—	—
<b><i>Reconciliation of operating result to net cash flows from operating activities:</i></b>		
Operating result	(656,875)	203,813
Depreciation/amortisation	783,203	687,232
Net loss/(gain) on disposal of assets	27,915	41,920
(Increase)/Decrease in receivables	37,852	(1,809,247)
(Increase)/Decrease in prepayments	61,543	(43,134)
Increase/(Decrease) in employee provisions	208,072	362,906
Increase/(Decrease) in supplier payables	(33,712)	973
Increase/(Decrease) in other payables	(100,401)	82,925
Increase/(Decrease) in other provisions	—	(19,257)
<b><i>Net cash from/(used by) operating activities</i></b>	<b>327,597</b>	<b>(491,869)</b>

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

	2008	2007
--	------	------

**Note 10—Senior Executive Remuneration**

The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:

	Number	Number
\$130,000 to \$144,999	1	—
\$145,000 to \$159,999	1	—
\$160,000 to \$174,999	—	1
\$175,000 to \$189,999	—	3
\$190,000 to \$204,999	1	1
\$235,000 to \$249,999	1	1
\$250,000 to \$264,999	1	1
\$295,000 to \$309,999	—	1
\$325,000 to \$339,999	—	1
\$340,000 to \$354,999	1	—
<b>Total</b>	<b>6</b>	<b>9</b>

	2008	2007
	\$	\$
The aggregate amount of total remuneration of senior executives shown above.	1,342,125	2,046,304

The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.

—	—
---	---

**Note 11—Remuneration of Auditors**

Financial statement audit services are provided free of charge to the office.

The fair value of the services provided was:	21,000	18,000
----------------------------------------------	--------	--------

No other services were provided by the Auditor-General.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

	2008 \$	2007 \$
<b>NOTE 12—Financial Instruments</b>		
<u>Note 12A – Categories of financial instruments</u>		
<b>Financial Assets</b>		
Loans and receivables financial assets		
Trade and other receivables	261,626	309,001
Cash and cash equivalents	159,590	58,634
<b>Carrying amount of financial assets</b>	<b>421,216</b>	<b>367,635</b>
<b>Financial Liabilities</b>		
At amortised cost		
Trade and other payables	623,352	657,064
<b>Carrying amount of financial liabilities</b>	<b>623,352</b>	<b>657,064</b>
<u>Note 12B – Net income and expense from financial assets</u>		
<b>Loans and receivables</b>		
Interest revenue	–	–
Exchange gains (loss)	–	–
Impairment	(11,857)	–
Gain (loss) on disposal	–	–
<b>Net gain (loss) from loans and receivables</b>	<b>(11,857)</b>	<b>–</b>
<b>Net gain (loss) from financial assets</b>	<b>(11,857)</b>	<b>–</b>

The net income/expense from financial assets not at fair value through profit and loss is nil.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

	2008	2007
	\$	\$
<b>NOTE 12—Financial Instruments (Cont'd)</b>		
<u>Note 12C – Net income and expense from financial liabilities</u>		
<b>Financial liabilities – at amortised cost</b>		
Interest expense	–	–
Exchange gains (loss)	–	–
Gain (loss) on disposal	–	–
<b>Net gain (loss) from financial liabilities – at amortised cost</b>	–	–
<b>Net gain (loss) from financial liabilities</b>	–	–

The net income/expense from financial liabilities not at fair value through profit and loss is nil.

Note 12D – Fair value of financial instruments

	Carrying amount 2008 \$	Fair value 2008 \$	Carrying amount 2007 \$	Fair value 2007 \$
<b>Financial Assets</b>				
Trade and other receivables	261,626	261,626	309,001	309,001
Cash and cash equivalents	159,590	159,590	58,634	58,634
<b>Total Financial Assets</b>	<b>421,216</b>	<b>421,216</b>	<b>367,635</b>	<b>367,635</b>
<b>Financial Liabilities</b>				
Trade and other payables	623,352	623,352	657,064	657,064
<b>Total Financial Liabilities</b>	<b>623,652</b>	<b>623,352</b>	<b>657,064</b>	<b>657,064</b>

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

**NOTE 12—Financial Instruments (Cont'd)****Loans and receivables designated at fair value through profit or loss**

The following table illustrates changes in the fair value of loans and receivables designated at fair value through profit and loss that arose due to credit risk.

	2008 \$	2007 \$
<b>Fair value changes due to credit risk:</b>		
during the period	—	—
prior periods	—	—
<b>Cumulative change</b>	<u>—</u>	<u>—</u>

The following table illustrates changes in the fair value of credit derivatives relating to loans and receivables designated at fair value through profit and loss:

	2008 \$	2007 \$
<b>Fair value changes due to credit risk:</b>		
during the period	—	—
prior periods	—	—
<b>Cumulative change</b>	<u>—</u>	<u>—</u>

**Valuation method used for determining the fair value of financial instruments**

The following table identifies for those assets and liabilities (those at fair value through profit or loss or available for sale) carried at fair value (above) whether fair value was obtained by reference to market prices or by a valuation technique that employs observable market transactions, or one that uses non-observable market inputs to determine a fair value.

	Valuation technique utilising			
	Market values \$	Market inputs \$	Non-market inputs \$	Total \$
<b>Financial assets at fair value</b>				
Trade and other receivables	—	—	261,626	261,626
Cash and cash equivalents	159,590	—	—	159,590
<b>Financial assets at fair value</b>	<u>159,590</u>	<u>—</u>	<u>261,626</u>	<u>421,216</u>
<b>Financial liabilities at fair value</b>				
Trade and other payables	—	—	623,352	623,352
<b>Financial liabilities at fair value</b>	<u>—</u>	<u>—</u>	<u>623,352</u>	<u>623,352</u>

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008**NOTE 12—Financial Instruments (Cont'd)**Note 12E—Financial assets reclassified

There were no financial assets reclassified.

Note 12F—Credit risk

Credit risk is defined as 'the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation'. The office's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

A significant portion of the 'loans and receivables' are appropriations receivable from the Australian Government, therefore the credit risk for these amounts is low. The 'loans and receivables' are monitored on an ongoing basis by the office.

The following table illustrates the office's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2008 \$	2007 \$
<b>Financial Assets</b>		
Trade and other receivables	261,626	309,001
Cash and cash equivalents	159,590	58,634
<b>Total</b>	421,216	367,635

The office does not hold any collateral or other credit enhancement facilities against these assets.

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired 2008 \$	Not Past Due Nor Impaired 2007 \$	Past Due or Impaired 2008 \$	Past Due or Impaired 2007 \$
<b>Financial assets</b>				
Trade and other receivables	196,763	308,388	76,720	613
<b>Total</b>	196,763	308,388	76,720	613

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

**NOTE 12—Financial Instruments (Cont'd)**

Ageing of financial assets that are past due but not impaired for 2008

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	64,863	—	—	—	64,863
<b>Total</b>	64,863	—	—	—	64,863

Ageing of financial assets that are past due but not impaired for 2007

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	113	—	—	500	613
<b>Total</b>	113	—	—	500	613

Note 12G – Liquidity risk

Liquidity risk is defined as the risk that the Office of the Ombudsman is not able to meet its obligations at a reasonable time. The office monitors the amount of cash available in its bank account and the appropriations receivable which it is able to drawdown from the Department of Finance and Deregulation. An estimate of the amount payable by the office is made on a weekly basis. A drawdown is submitted to ensure that there is sufficient cash in the office's bank account to meet its obligations.

The following tables illustrate the maturities for financial liabilities:

	On demand 2008 \$	Within 1 year of 2008 \$	1 to 5 years 2008 \$	> 5 years 2008 \$	Total 2008 \$
Trade and other payables	623,352	—	—	—	623,352
<b>Total</b>	623,352	—	—	—	623,352



## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

## NOTE 12—Financial Instruments (Cont'd)

	On demand 2007 \$	Within 1 year of 2007 \$	1 to 5 years 2007 \$	> 5 years 2007 \$	Total 2007 \$
Trade and other payables	657,064	—	—	—	657,064
<b>Total</b>	<b>657,064</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>657,064</b>

Note 12H—Market risk

The Office of the Ombudsman has no significant exposure to market risk.

**NOTE 13—Contingent Liabilities**

The office has no contingent liabilities.

The Office of the Commonwealth Ombudsman has identified in its contracts and leases a number of indemnity provisions. None of these are quantifiable, and all are considered remote. There are no existing or likely claims of which the office is aware.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

A5

APPENDIX 5 FINANCIAL STATEMENTS

**NOTE 14—Appropriations**

Note 14A—Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations

Particulars	Departmental Outputs	
	2008	2007
	\$	\$
Balance brought forward from previous year	4,782,970	3,400,034
Appropriation Act:		
Appropriation Act (No.1) 2007–08	17,763,000	16,396,000
Appropriation Act (No.3) 2007–08	–	1,183,000
NTER Appropriation Act (No.1) 2007–08	200,000	–
Reductions of appropriations (Appropriation Act section 9)	(82,000)	–
Advance to the Finance Minister (Appropriation Act section 11)	–	–
Comcover receipts (Appropriation Act section 12)	71,962	4,000
FMA Act:		
Refunds credited (FMA section 30)	170,426	20,824
Appropriations to take account of recoverable GST (FMA section 30A)	292,889	505,559
Annotations to 'net appropriations' (FMA section 31)	2,307,609	1,326,486
Total appropriation available for payments	25,506,856	22,835,903
Cash payments made during the year (GST inclusive)	20,613,407	18,052,933
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations and as represented by:	4,893,449	4,782,970
Cash at bank and on hand	159,590	58,634
*Departmental appropriations receivable	4,683,445	4,631,735
GST Receivable from the ATO	50,414	92,601
Total	4,893,449	4,782,970

\*Departmental and non-operating appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental or non-operating appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

**NOTE 14—Appropriations (Cont'd)**

Note 14B—Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations

Particulars	Non-Operating	
	2008 \$	2007 \$
Balance brought forward from previous year	59,000	1,089,000
Appropriation Act:		
Appropriation Act (No.2) 2007–08	—	—
Appropriation Act (No.4) 2007–08	—	59,000
NTER Appropriation Act (No.2) 2007–08	149,000	—
<b>Total appropriation available for payments</b>	<b>208,000</b>	<b>1,148,000</b>
Cash payments made during the year (GST inclusive)	59,000	1,089,000
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations and as represented by:	149,000	59,000
Appropriation receivable	149,000	59,000
<b>Total</b>	<b>149,000</b>	<b>59,000</b>

**NOTE 15—Reporting of Outcomes**

Note 15A—Net Cost of Outcome Delivery

	Outcome 1	
	2008 \$	2007 \$
<b>Expenses</b>		
Administered	—	—
Departmental	20,072,128	18,719,673
<b>Total expenses</b>	<b>20,072,128</b>	<b>18,719,673</b>
<b>Costs recovered from provision of goods and services to the non-government sector</b>		
Administered	—	—
Departmental	1,006,587	883,900
<b>Total costs recovered</b>	<b>1,006,587</b>	<b>883,900</b>
<b>Other external revenues</b>		
Administered	—	—
Total Administered	—	—
Departmental	506,666	442,586
<b>Total other external revenues</b>	<b>506,666</b>	<b>442,586</b>
<b>Net cost (contribution) of outcome</b>	<b>18,558,875</b>	<b>17,393,187</b>

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED

30 JUNE 2008

**NOTE 15—Reporting of Outcomes (Cont'd)**

Note 15B—Major Classes of Departmental Revenues and Expenses by Output

	Outcome 1					
	Output 1		Output 2		Outcome 1 Total	
	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$
<b>Departmental expenses</b>						
Employees	13,410,436	12,669,322	735,594	754,414	14,146,030	13,423,736
Suppliers	4,837,761	4,310,132	265,362	256,653	5,103,123	4,566,785
Depreciation and amortisation	742,476	648,610	40,727	38,622	783,203	687,232
Other	37,704	39,564	2,068	2,356	39,772	41,920
<b>Total departmental expenses</b>	<b>19,028,377</b>	<b>17,667,628</b>	<b>1,043,751</b>	<b>1,052,045</b>	<b>20,072,128</b>	<b>18,719,673</b>
<b>Funded by:</b>						
Revenues from government	16,872,512	16,591,060	1,008,488	987,940	17,881,000	17,579,000
Sales of goods and services	1,513,353	1,326,486	—	—	1,513,353	1,326,486
Other non-taxation revenues	—	—	—	—	—	—
<b>Total departmental revenues</b>	<b>18,385,865</b>	<b>17,917,546</b>	<b>1,008,488</b>	<b>987,940</b>	<b>19,394,353</b>	<b>18,905,486</b>

Direct costs for Outputs 1 and 2 are allocated primarily on staff numbers.

Indirect costs, such as corporate support expenses, are allocated on staff numbers and square metres occupied. The provision of services by corporate support areas is predominantly driven by staff demands. Some exceptions exist, but testing has shown that other, more complex allocation methods do not produce a materially different result from that produced by this simple allocation method.

## OFFICE OF THE COMMONWEALTH OMBUDSMAN

NOTES TO AND FORMING PART OF THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2008

---

**Note 16—Compensation and Debt Relief**

No Act of Grace payments were made during the reporting period (2007: nil).

No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* (2007: nil).