

# Office of the Commonwealth Ombudsman

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The strategic direction statement for the Office of the Commonwealth Ombudsman (the Office) can be found in the 2025-26 Attorney-General's Portfolio Budget Statements. There has been no change to the Office's strategic direction as a result of Additional Estimates.

### 1.2 Entity resource statement

The Entity Resource Statement details the resourcing for the Office at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2025-26 Budget year, including variations through Appropriation Bills No. 3.

Amounts presented below are consistent with amounts presented in the Appropriation Bills themselves, and as published in appropriation notes to the 2024-25 financial statements.

**Table 1.1: Office of the Commonwealth Ombudsman resource statement — Additional Estimates for 2025-26 as at February 2026**

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2024-25 \$'000	2025-26 \$'000	2025-26 \$'000	2025-26 \$'000
<b>Departmental</b>				
Annual appropriations - ordinary annual services (a)				
Prior year appropriations available	14,807	15,074	-	15,074
Departmental appropriation	45,496	47,537	214	47,751
s74 External Revenue (b)	9,608	4,700	-	4,700
Departmental capital budget (b)	862	868	(568)	300
<i>Total departmental annual appropriations</i>	<i>70,773</i>	<i>68,179</i>	<i>(354)</i>	<i>67,825</i>
<b>Total departmental resourcing</b>	<b>70,773</b>	<b>68,179</b>	<b>(354)</b>	<b>67,825</b>
<b>Total resourcing for OCO</b>	<b>70,773</b>	<b>68,179</b>	<b>(354)</b>	<b>67,825</b>
			<i>Actual 2024-25</i>	<i>2025-26</i>
<b>Average staffing level (number)</b>			291	334

All figures shown above are GST exclusive - these may not match figures in the cash flow statement. Prepared on a resourcing (i.e. appropriations available) basis.

- (a) *Appropriation Act (No. 1) 2025-26 and Appropriation Bill (No. 3) 2025-26*. Actual Available Appropriation column reflects the closing unspent appropriation balance from the entity's 2024-25 annual report and encompasses *Appropriation Act (No. 1) 2024-25 and Appropriation Act (No. 3) 2024-25*.
- (b) Estimated external revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (c) Departmental capital budgets are not separately identified in *Appropriation Act (No.1)* and form part of ordinary annual services items. Refer to Table 3.6 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

### 1.3 Entity measures

Table 1.2 summarises new Government measures taken since the 2025–26 Budget. The table is split into receipt and payment measures, with the affected program identified.

**Table 1.2: OCO 2025-26 measures since Budget**

	Program	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000
<b>Payment measures</b>					
Further Reducing Spending on Consultants, Contractors and Labour Hire, and Non-wage Expenses	1.1				
Departmental payments (a)		(354)	(363)	(339)	(487)
<b>Total</b>		<b>(354)</b>	<b>(363)</b>	<b>(339)</b>	<b>(487)</b>
<b>Total payment measures</b>					
Departmental		(354)	(363)	(339)	(487)
<b>Total</b>		<b>(354)</b>	<b>(363)</b>	<b>(339)</b>	<b>(487)</b>

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds.

(a) full measure description for Further Reducing Spending on Consultants, Contractors and Labour Hire, and Non-wage Expenses appears in the 2025-26 MYEFO Appendix A under cross portfolio.

### 1.4 Additional estimates, resourcing and variations to outcomes

The following tables detail the changes to the resourcing for the Office at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2025–26 Budget in Appropriation Bills Nos. 3 and 4.

**Table 1.3: Additional estimates and other variations to outcomes since the 2025–26 Budget**

	Program impacted	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000
<b>Outcome 1</b>					
<b>Departmental</b>					
<b>Annual appropriations</b>					
Further Reducing Spending on Consultants, Contractors and Labour Hire, and Non-wage Expenses	1.1	(354)	(363)	(339)	(487)
<b>Reclassifications</b>					
Departmental appropriation	1.1	568	-	-	-
Departmental capital budget	1.1	(568)	-	-	-
<b>Changes in Parameters</b>					
net increase	1.1	-	-	72	73
<b>Net impact on appropriations for Outcome 1 (departmental)</b>		<b>(354)</b>	<b>(363)</b>	<b>(267)</b>	<b>(414)</b>
<b>Total net impact on appropriations for Outcome 1</b>		<b>(354)</b>	<b>(363)</b>	<b>(267)</b>	<b>(414)</b>

Prepared on a resourcing (i.e. appropriations available) basis.

### 1.5 Breakdown of additional estimates by appropriation bill

The following tables detail the Additional Estimates sought for the Office through Appropriation Bills Nos. 3 and 4.

**Table 1.4: Appropriation Bill (No. 3) 2025–2026**

	2024-25 Available \$'000	2025-26 Budget \$'000	2025-26 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Departmental programs</b>					
Outcome 1 - Fair and accountable administrative action by Australian Government entities and prescribed private sector organisations, by investigating complaints, reviewing administrative action and statutory compliance inspections and reporting.	46,358	47,483	47,483	568	(568)
<b>Total departmental</b>	<b>46,358</b>	<b>47,483</b>	<b>47,483</b>	<b>568</b>	<b>(568)</b>

Note 1: 2024-25 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Note 2: Additional Estimates in 2025-26 relates to Table 1.3 in Appropriation Bill (No.3) and reduction reflects section 51 withholding to Appropriation Act (No.1) 2025-26 - DCB.

**Table 1.5: Appropriation Bill (No. 4) 2025–2026**

There are no Appropriation Bill (No. 4) impacts so Table 1.5 is not shown

## Section 2: Revisions to outcomes and planned performance

### 2.1 Budgeted expenses and performance for Outcome 1

This table shows how much the Office intends to spend (on an accrual basis) on achieving the outcome.

**Table 2.1.1: Budgeted expenses for Outcome 1**

<b>Outcome 1: Fair and accountable administrative action by Australian government entities and prescribed private sector organisations, by investigating complaints, reviewing administrative action and statutory compliance inspections and reporting.</b>					
	2024-25 Actual expenses	2025-26 Revised estimated expenses	2026-27 Forward estimate	2027-28 Forward estimate	2028-29 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.1: Complaint handling, compliance and monitoring, and education and promotion</b>					
Departmental expenses					
Departmental appropriation	44,782	50,843	35,965	36,663	36,956
s74 External Revenue (a)	5,591	4,700	4,700	4,700	5,000
Expenses not requiring appropriation in the Budget year (b)	3,362	3,630	3,594	3,694	3,594
<b>Departmental total</b>	<b>53,735</b>	<b>59,173</b>	<b>44,259</b>	<b>45,057</b>	<b>45,550</b>
<b>Total expenses for program 1.1</b>	<b>53,735</b>	<b>59,173</b>	<b>44,259</b>	<b>45,057</b>	<b>45,550</b>

	2024-25	2025-26
<b>Average staffing level (number)</b>	304	334

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

**Table 2.1.2: Performance measure for Outcome 1**

There have been no changes to performance measures since the 2025-26 Portfolio Budget Statements, so this table is not shown.

## **Section 3: Special account flows and budgeted financial statements**

### **3.1 Special account flows and balances**

The Office has no Special Accounts, so Table 3.1 is not shown.

### **3.2 Budgeted financial statements**

#### **3.2.1 Explanatory notes and analysis of budgeted financial statements**

The Office is budgeting for an approved operating loss in 2025-26 before returning to a budgeted break-even result in 2026-27.

Financial statements for the Office have been updated since the 2025-26 Portfolio Budget Statements to include actual financial results for 2024-25. The revised estimate for 2025-26 is primarily due to an investment in a customer relationship and case management system.

## 3.2.2 Budgeted financial statements

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2024-25 Actual	2025-26 Revised budget	2026-27 Forward estimate	2027-28 Forward estimate	2028-29 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	37,152	43,923	34,263	35,216	34,145
Suppliers	11,120	9,356	4,054	3,795	5,459
Depreciation and amortisation	3,136	3,529	3,529	3,629	3,529
Finance costs	276	349	314	247	247
Losses from asset sales	125	-	-	-	-
<b>Total expenses</b>	<b>51,809</b>	<b>57,157</b>	<b>42,160</b>	<b>42,887</b>	<b>43,380</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	5,591	4,700	4,700	4,700	5,000
Other revenue	75	-	-	-	-
<b>Total own-source revenue</b>	<b>5,666</b>	<b>4,700</b>	<b>4,700</b>	<b>4,700</b>	<b>5,000</b>
<b>Gains</b>					
Other gains	65	65	65	65	65
<b>Total gains</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>
<b>Total own-source income</b>	<b>5,731</b>	<b>4,765</b>	<b>4,765</b>	<b>4,765</b>	<b>5,065</b>
<b>Net (cost of)/contribution by services</b>	<b>(46,078)</b>	<b>(52,349)</b>	<b>(37,395)</b>	<b>(38,122)</b>	<b>(38,315)</b>
Revenue from Government	45,496	47,751	35,965	36,663	36,956
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(582)</b>	<b>(4,641)</b>	<b>(1,430)</b>	<b>(1,459)</b>	<b>(1,359)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(582)</b>	<b>(4,641)</b>	<b>(1,430)</b>	<b>(1,459)</b>	<b>(1,359)</b>
<b>Note: Impact of net cash appropriation arrangements</b>					
<b>Total comprehensive income/(loss) - as per statement of Comprehensive Income</b>	<b>(582)</b>	<b>(4,641)</b>	<b>(1,430)</b>	<b>(1,459)</b>	<b>(1,359)</b>
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	1,146	686	686	786	686
plus: depreciation/amortisation expenses for ROU assets (b)	1,990	2,843	2,843	2,843	2,843
less: lease principal repayments (b)	1,926	2,016	2,099	2,170	2,170
<b>Net Cash Operating Surplus/ (Deficit)</b>	<b>628</b>	<b>(3,128)</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

- (a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statements.
- (b) Applies to leases under AASB 16 Leases.

**Table 3.3: Budgeted departmental balance sheet (as at 30 June)**

	2024-25 Actual \$'000	2025-26 Revised budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	233	233	233	233	233
Trade and other receivables	14,222	11,138	11,138	11,138	11,138
<b>Total financial assets</b>	<b>14,455</b>	<b>11,371</b>	<b>11,371</b>	<b>11,371</b>	<b>11,371</b>
<b>Non-financial assets</b>					
Land and buildings	13,491	10,634	7,300	5,230	2,693
Property, plant and equipment	89	-	683	1,380	1,287
Intangibles	157	157	157	57	57
Other non-financial assets	1,285	1,285	1,285	1,285	1,285
<b>Total non-financial assets</b>	<b>15,022</b>	<b>12,076</b>	<b>9,425</b>	<b>7,952</b>	<b>5,322</b>
Assets held for sale					
<b>Total assets</b>	<b>29,477</b>	<b>23,447</b>	<b>20,796</b>	<b>19,323</b>	<b>16,693</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,564	1,608	1,608	1,608	1,608
Other payables	1,184	1,220	1,220	1,220	1,220
<b>Total payables</b>	<b>2,748</b>	<b>2,828</b>	<b>2,828</b>	<b>2,828</b>	<b>2,828</b>
<b>Interest bearing liabilities</b>					
Leases	10,506	8,801	6,702	5,799	3,629
<b>Total interest bearing liabilities</b>	<b>10,506</b>	<b>8,801</b>	<b>6,702</b>	<b>5,799</b>	<b>3,629</b>
<b>Provisions</b>					
Employee provisions	7,574	7,538	7,538	7,538	7,538
<b>Total provisions</b>	<b>7,574</b>	<b>7,538</b>	<b>7,538</b>	<b>7,538</b>	<b>7,538</b>
<b>Total liabilities</b>	<b>20,828</b>	<b>19,167</b>	<b>17,068</b>	<b>16,165</b>	<b>13,995</b>
<b>Net assets</b>	<b>8,649</b>	<b>4,280</b>	<b>3,728</b>	<b>3,158</b>	<b>2,698</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	16,028	16,328	17,206	18,095	18,994
Reserves	1,410	1,410	1,410	1,410	1,410
Retained surplus / (accumulated deficit)	(8,789)	(13,458)	(14,888)	(16,347)	(17,706)
<b>Total Equity</b>	<b>8,649</b>	<b>4,280</b>	<b>3,728</b>	<b>3,158</b>	<b>2,698</b>

Prepared on Australian Accounting Standards basis.

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

**Table 3.4: Departmental statement of changes in equity — summary of movement (Budget year 2025-26)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity / capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2025</b>				
Balance carried forward from previous period	(8,817)	1,410	16,028	8,621
<b>Adjusted opening balance</b>	<b>(8,817)</b>	<b>1,410</b>	<b>16,028</b>	<b>8,621</b>
<b>Comprehensive income</b>				
Other comprehensive income	(4,641)	-	-	(4,641)
Surplus/(deficit) for the period				-
<b>Total comprehensive income</b>	<b>(4,641)</b>	<b>-</b>	<b>-</b>	<b>(4,641)</b>
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Departmental Capital Budget (DCB)	-	-	300	300
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>300</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(13,458)</b>	<b>1,410</b>	<b>16,328</b>	<b>4,280</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2024-25 Actual \$'000	2025-26 Revised budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	54,633	50,835	35,965	36,663	36,956
Sale of goods and rendering of services	9,651	4,700	4,700	4,700	5,000
<b>Total cash received</b>	<b>64,284</b>	<b>55,535</b>	<b>40,665</b>	<b>41,363</b>	<b>41,956</b>
<b>Cash used</b>					
Employees	35,933	43,923	34,263	35,216	34,145
Suppliers	26,134	9,247	3,989	3,730	5,394
Interest payments on lease liability	276	349	314	247	247
<b>Total cash used</b>	<b>62,343</b>	<b>53,519</b>	<b>38,566</b>	<b>39,193</b>	<b>39,786</b>
<b>Net cash from / (used by) operating activities</b>	<b>1,941</b>	<b>2,016</b>	<b>2,099</b>	<b>2,170</b>	<b>2,170</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant, and equipment and intangibles	2,262	300	878	889	899
<b>Total cash used</b>	<b>2,262</b>	<b>300</b>	<b>878</b>	<b>889</b>	<b>899</b>
<b>Net cash from / (used by) investing activities</b>	<b>(2,262)</b>	<b>(300)</b>	<b>(878)</b>	<b>(889)</b>	<b>(899)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	2,239	300	878	889	899
<b>Total cash received</b>	<b>2,239</b>	<b>300</b>	<b>878</b>	<b>889</b>	<b>899</b>
<b>Cash used</b>					
Principal payments on lease liability	1,926	2,016	2,099	2,170	2,170
<b>Total cash used</b>	<b>1,926</b>	<b>2,016</b>	<b>2,099</b>	<b>2,170</b>	<b>2,170</b>
<b>Net cash from/(used by) financing activities</b>	<b>313</b>	<b>(1,716)</b>	<b>(1,221)</b>	<b>(1,281)</b>	<b>(1,271)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	241	233	233	233	233
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>233</b>	<b>233</b>	<b>233</b>	<b>233</b>	<b>233</b>

Prepared on Australian Accounting Standards basis.

**Table 3.6: Departmental capital budget statement (for the period ended 30 June)**

	2024-25 Actual \$'000	2025-26 Revised budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Act No. 1 and Bill 3 (DCB)	862	300	878	889	899
<b>Total new capital appropriations</b>	<b>862</b>	<b>300</b>	<b>878</b>	<b>889</b>	<b>899</b>
<b>Provided for:</b>					
Purchase of non-financial assets	(862)	(300)	(878)	(889)	(899)
<b>Total Items</b>	<b>(862)</b>	<b>(300)</b>	<b>(878)</b>	<b>(889)</b>	<b>(899)</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB					
(b)	(2,239)	(300)	(878)	(889)	(899)
<b>TOTAL</b>	<b>(2,239)</b>	<b>(300)</b>	<b>(878)</b>	<b>(889)</b>	<b>(899)</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	(2,239)	(300)	(878)	(889)	(899)
<b>Total cash used to acquire assets</b>	<b>(2,239)</b>	<b>(300)</b>	<b>(878)</b>	<b>(889)</b>	<b>(899)</b>

Prepared on Australian Accounting Standards basis.

(a) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

**Table 3.7: Statement of departmental asset movements (Budget year 2025-26)**

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2025</b>				
Gross book value	5,893	173	467	6,533
Gross book value - ROU assets	12,772	-	-	12,772
Accumulated depreciation/ amortisation and impairment	(1,229)	(84)	(310)	(1,623)
Accumulated depreciation/amortisation and impairment - ROU assets	(3,662)	-	-	(3,662)
<b>Opening net book balance</b>	<b>13,774</b>	<b>89</b>	<b>157</b>	<b>14,020</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services (a)	198	102	-	300
<b>Total additions</b>	<b>198</b>	<b>102</b>	<b>-</b>	<b>300</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(494)	(192)	-	(686)
Depreciation/amortisation on ROU assets	(2,843)			(2,843)
<b>Total other movements</b>	<b>(3,337)</b>	<b>(192)</b>	<b>-</b>	<b>(3,529)</b>
<b>As at 30 June 2026</b>				
Gross book value	6,091	275	467	6,833
Gross book value - ROU assets	12,469	-	-	12,469
Accumulated depreciation/ amortisation and impairment	(1,723)	(276)	(310)	(2,309)
Accumulated depreciation/amortisation and impairment - ROU assets	(6,485)	-	-	(6,485)
<b>Closing net book balance</b>	<b>10,635</b>	<b>(1)</b>	<b>157</b>	<b>10,971</b>

Prepared on Australian Accounting Standards basis

(a) "Appropriation ordinary annual services" refers to funding provided through *Annual Appropriation Act (No. 1) 2025–2026* and *Appropriation Bill (No. 3) 2025–2026* for depreciation/amortisation expenses, Departmental Capital Budget or other operational expenses.