

WORKPLACE OMBUDSMAN

Section 1: Agency overview and resources	301
1.1 Strategic direction	301
1.2 Agency resource statement.....	302
1.3 Budget measures	303
Section 2: Outcomes and planned performance	304
2.1 Outcomes and performance information.....	304
Section 3: Explanatory tables and budgeted financial statements.....	306
3.1 Explanatory tables.....	306
3.2 Budgeted financial statements.....	308

WORKPLACE OMBUDSMAN

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

The Workplace Ombudsman protects and enforces the rights of workers and employers under Commonwealth workplace relations laws. The agency ensures that the rights and obligations of workers and employers are understood and enforced fairly through:

- the provision of advice and assistance to employers, workers and organisations on compliance and enforcement under the *Workplace Relations Act 1996*, other Commonwealth workplace relations laws and associated regulations
- undertaking targeted education and compliance campaigns to further protect the rights of workers
- investigating claims of alleged breaches of federal industrial instruments, the *Workplace Relations Act 1996* and associated regulations lodged by employers and workers
- initiating legal action, where appropriate, to enforce workplace laws.

The Workplace Ombudsman is also responsible for ensuring compliance with the provisions of the Government's transitional industrial relations legislation.

The strategic focus of the Workplace Ombudsman in 2008-09 will be on ensuring better and more effective workplace relations compliance. During the year, the agency will also assist in implementing the Government's new industrial relations legislation and will work with other agencies to ensure the establishment of Fair Work Australia by 1 January 2010.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Workplace Ombudsman resource statement — budget estimates for 2008-09 as at Budget May 2008

		Estimate of prior year amounts available in 2008-09 \$'000	+ Proposed at Budget 2008-09 \$'000	= Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
Ordinary Annual Services					
Departmental outputs					
Departmental outputs		21,399	70,726	92,125	69,687
Total ordinary annual services	A	21,399	70,726	92,125	69,687
Other services					
Departmental non-operating					
Equity injections		6,110	350	6,460	4,117
Total other services	B	6,110	350	6,460	4,117
Total available annual appropriations		27,509	71,076	98,585	73,804
Special Appropriations					
Total special appropriations	C	-	-	-	-
Total appropriations excluding special account		27,509	71,076	98,585	73,804
Special Account					
Opening balance		-	475	475	325
Receipts		-	250	250	350
Total special account	D	-	725	725	675
Total resourcing		27,509	71,801	99,310	74,479
A+B+C+D					
Less appropriations drawn from annual or special appropriations		-	-	-	-
Total net resourcing for Workplace Ombudsman		27,509	71,801	99,310	74,479

1.3 BUDGET MEASURES

Table 1.2: Workplace Ombudsman 2008-09 Budget measures

The Workplace Ombudsman does not have any new measures since the 2007-08 Portfolio Additional Estimates. Measures appearing in Budget Paper No 2 are those that were included in the Workplace Ombudsman's Portfolio Additional Estimates Statement.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by output group, specifying the performance indicators and targets used to assess and monitor the performance of the Workplace Ombudsman in achieving Government outcomes.

2.1.1 Outcome 1: The protection and enforcement of the rights of workers and employers under Commonwealth workplace relations laws.

Outcome 1 Strategy

The workplace rights of employers, employees and their representatives are protected through a mix of targeted compliance and education activities, the use of voluntary compliance activities and, where the circumstances warrant, through in-depth investigations and prosecutions.

As part of its ongoing educative role, the agency will undertake education and compliance campaigns and provide information services. These campaigns will be run at national, state and local levels and will target particular industries.

More than 300 workplace inspectors across Australia will investigate complaints or allegations received. It is expected that in the majority of instances compliance with workplace relations laws will be achieved voluntarily and will be assisted by targeted and industry specific auditing activities. Litigation activities will be used when and as required, particularly in cases where breaches have significant consequences, when they affect a vulnerable group or when the employer does not acknowledge that the problem requires rectification.

Outcome 1 Resource statement

Table 2.1 provides additional detail of budget appropriations and the total resourcing for Outcome 1.

Table 2.1: Total resources for Outcome 1

	2008-09	2007-08
Outcome 1: The protection and enforcement of the rights of workers and employers under Commonwealth workplace relations laws	Total estimate of available resources	Estimated actual
	\$'000	\$'000
Output Group 1.1: Education and Compliance Services		
Appropriations	98,585	73,804
Special Account		
Opening balance	475	325
Receipts	250	350
Subtotal for Output Group 1.1	99,310	74,479
Total resources for Outcome 1	99,310	74,479

	2008-09	2007-08
Average staffing level (number)	407	371

Contributions to Outcome 1

Output Group 1.1: Education and Compliance Services	
Provision of advice and assistance to employers, workers and organisations about compliance and enforcement under the <i>Workplace Relations Act 1996</i> .	
Components of Output Group 1.1:	
<ul style="list-style-type: none"> Education and Compliance Services 	
Key Performance Indicators	2008-09 Target
Targeted campaign activity	4 national campaigns 2 campaigns in each state
Complaints about breaches of federal agreements or awards	80 per cent of investigations into complaints completed within 90 days
Level of satisfaction of clients with compliance services	80 per cent of surveyed clients satisfied with the way their complaint was handled

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	\$'000
Total available departmental operating appropriation (outputs)	98,585
Less estimated payments in 2008-09	69,235
Estimated departmental outputs carried forward and available for 2009-10	29,350

3.1.2 Movement of administered funds between years

The Workplace Ombudsman has no movement of administered funds appropriations from 2007-08 to 2008-09.

3.1.3 Special Accounts

Table 3.1.3: Estimates of Special Account cash flows and balances

	Outcome	Opening	Receipts	Payments	Adjustments	Closing
		balance				balance
		2008-09	2008-09	2008-09	2008-09	2008-09
		2007-08	2007-08	2007-08	2007-08	2007-08
		\$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Monies - <i>Financial Management and Accountability Act 1997</i> s.20 (Unclaimed Wages)	1					
		475	250	450	-	275
		325	350	200	-	475
Total special accounts						
2008-09 budget estimate		475	250	450	-	275
Total special accounts						
2007-08 estimated actual		325	350	200	-	475

3.1.4 Australian Government Indigenous Expenditure

The Workplace Ombudsman has no 2008-09 Australian Government Indigenous Expenditure to report.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

The Workplace Ombudsman does not have any significant differences.

3.2.2 Analysis of budgeted financial statements

An analysis of the Workplace Ombudsman's budgeted financial statements is provided below.

Budgeted departmental income statement

The Workplace Ombudsman is budgeting for a balanced budget for 2008-09 and the three forward years.

Total expenses are estimated to be \$70.752 million in 2008-09, an increase of \$1.039 million (1.5 per cent) over the forecast for 2007-08.

Employee and supplier expenses represent the majority of the agency's operating expenses, with employee expenses forecast at 52 per cent and suppliers at 37 per cent. Depreciation and amortisation expenses make up the remaining 11 per cent.

Expenditure on employees is budgeted to increase in 2008-09, representing the full year cost of staff recruited during 2007-08.

Budgeted departmental balance sheet

The Workplace Ombudsman's balance sheet shows net assets increasing by \$0.350 million to \$42.267 million by 30 June 2009. The majority of the agency's assets comprise receivables (appropriations receivable) and property fit outs.

3.2.3 Budgeted financial statements tables

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

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	69,687	70,726	66,601	52,018	51,431
Total revenue	69,687	70,726	66,601	52,018	51,431
Gains					
Other	26	26	26	26	26
Total gains	26	26	26	26	26
Total income	69,713	70,752	66,627	52,044	51,457
EXPENSE					
Employees	31,737	36,977	37,634	24,727	23,456
Suppliers	30,583	26,082	23,321	21,666	22,623
Depreciation and amortisation	7,393	7,693	5,672	5,651	5,378
Total expenses	69,713	70,752	66,627	52,044	51,457
Surplus (deficit) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Workplace Ombudsman Budget Statements – Budgeted financial statements

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

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS					
Financial assets					
Cash and equivalents	450	450	450	450	450
Trade and other receivables	27,690	29,799	29,733	30,522	33,400
Total financial assets	28,140	30,249	30,183	30,972	33,850
Non-financial assets					
Land and buildings	26,671	25,565	23,497	23,550	18,928
Infrastructure, plant and equipment	994	639	1,239	739	557
Intangibles	882	654	1,454	1,254	680
Other	200	200	200	200	200
Total non-financial assets	28,747	27,058	26,390	25,743	20,365
Total assets	56,887	57,307	56,573	56,715	54,215
LIABILITIES					
Provisions					
Employees	8,600	8,798	8,103	8,313	5,813
Other	70	70	70	70	-
Total provisions	8,670	8,868	8,173	8,383	5,813
Payables					
Suppliers	6,300	6,172	6,043	5,915	5,985
Total payables	6,300	6,172	6,043	5,915	5,985
Total liabilities	14,970	15,040	14,216	14,298	11,798
Net assets	41,917	42,267	42,357	42,417	42,417
EQUITY*					
Parent entity interest					
Contributed equity	36,168	36,518	36,608	36,668	36,668
Retained surpluses or accumulated deficits	5,749	5,749	5,749	5,749	5,749
Total parent entity interest	41,917	42,267	42,357	42,417	42,417
Total equity	41,917	42,267	42,357	42,417	42,417
Current assets	28,340	30,449	30,383	31,172	34,050
Non-current assets	28,547	26,858	26,190	25,543	20,165
Current liabilities	12,725	12,784	12,084	12,153	10,550
Non-current liabilities	2,245	2,256	2,132	2,145	1,248

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	52,177	68,617	66,667	51,229	48,553
Other	2,819	2,168	1,972	1,538	1,398
Total cash received	54,996	70,785	68,639	52,767	49,951
Cash used					
Employees	27,097	36,779	38,329	24,517	25,956
Suppliers	25,095	31,838	26,938	26,712	22,467
Other	2,819	2,168	1,972	1,538	1,398
Total cash used	55,011	70,785	67,239	52,767	49,821
Net cash from (or used by) operating activities	(15)	-	1,400	-	130
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	4,117	350	1,490	60	60
Other	13	-	-	-	-
Total cash used	4,130	350	1,490	60	60
Net cash from (or used by) investing activities	(4,130)	(350)	(1,490)	(60)	(60)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	4,117	350	90	60	-
Other	12	-	-	-	(70)
Total cash received	4,129	350	90	60	(70)
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) financing activities	4,129	350	90	60	(70)
Net increase (or decrease) in cash held	(16)	-	-	-	-
Cash at the beginning of the reporting period	466	450	450	450	450
Cash at the end of the reporting period	450	450	450	450	450

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity – summary of movement (Budget year 2008-09)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2008					
Balance carried forward from previous period	5,749	-	-	36,168	41,917
Adjusted opening balance	5,749	-	-	36,168	41,917
Income and expense					
Income and expenses recognised directly in equity	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Surplus (deficit) for the period	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
Contribution by owners:					
Appropriation (equity injection)	-	-	-	350	350
Sub-total transactions with owners	-	-	-	350	350
Estimated closing balance as at 30 June 2009	5,749	-	-	36,518	42,267

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	Estimated	Budget	Forward	Forward	Forward
	actual	estimate	estimate	estimate	estimate
	2007-08	2008-09	2009-10	2010-11	2011-12
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Non-taxation					
Other sources of non-taxation revenues	450	450	200	200	200
Total non-taxation	450	450	200	200	200
Total revenues administered on behalf of Government	450	450	200	200	200
Total income administered on behalf of Government	450	450	200	200	200
Total expenses administered on behalf of Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Receivables	400	300	200	100	100
Total financial assets	400	300	200	100	100
Total assets administered on behalf of Government	400	300	200	100	100
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Other	-	-	-	-	-
Total provisions	-	-	-	-	-
Payables					
Other	-	-	-	-	-
Total payables	-	-	-	-	-
Total liabilities administered on behalf of Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	actual 2007-08 \$'000	estimate 2008-09 \$'000	estimate 2009-10 \$'000	estimate 2010-11 \$'000	estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Other	383	550	300	300	200
Total cash received	383	550	300	300	200
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by)					
operating activities	383	550	300	300	200
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by)					
investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by)					
financing activities	-	-	-	-	-
Net increase (or decrease) in					
cash held	383	550	300	300	200
Cash to Official Public Account for:					
- appropriations	-	-	-	-	-
- special accounts	-	-	-	-	-
- other	383	550	300	300	200
Cash at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Accounting Policy

The budgeted financial statements have been prepared in accordance with the requirements of the Finance Minister's Orders issued by the Minister for Finance and Deregulation.

The statements have been prepared:

- on an accrual accounting basis
- in compliance with Australian Accounting Standards and Australian Equivalents to International Financial Reporting Standards (AEIFRS) and other authoritative pronouncements of the Australian Accounting Standards Board and the Consensus Views of the Urgent Issues Group.

Agency Revenue from Government

Revenue from Government represents the purchase of outputs from the Workplace Ombudsman by the government.

Agency Revenue from Other Sources

Revenue from the sale of goods and services is recognised upon the delivery of the goods or services to the customers.

Agency Expenses – Employees

This item represents payments made and net increases or decreases in entitlements owed to employees for their services provided in the financial year.

Agency Expenses – Suppliers

This item represents payments to suppliers for goods and services.

Agency Expenses – Depreciation and Amortisation

Property, plant, equipment and intangible assets are written-off to their estimated residual values over their estimated useful lives to the Workplace Ombudsman using, in all cases, the straight-line method of depreciation.

Computing equipment assets are depreciated over their useful lives which are between three and seven years. Office machines are depreciated over five years (20 per cent). Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Forward estimates of depreciation expense are made using forecasts of net capital acquisition requirements over the forward years.

Agency Assets – Financial Assets – Cash

Cash represents notes and coins held and deposits at call with a bank or financial institution.

Agency Assets – Financial Assets – Receivables

Receivables represent amounts owing to the Workplace Ombudsman for goods and services it has provided to external parties and cash reserves held in the Official Public Account.

Agency Assets – Non-Financial Assets

These items represent future economic benefits that the Workplace Ombudsman will consume in producing outputs. Apart from re-valued assets, the reported value represents the purchase price paid less depreciation incurred to date in using that asset.

Infrastructure, plant and equipment is initially brought to account at cost, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Internally developed or purchased computer software, disclosed in the Departmental Balance Sheet as intangibles, is expensed in the year of acquisition except for purchased software costing more than \$2,000 or for internally developed software costing more than \$200,000 which are capitalised at cost.

Land and buildings (leasehold improvements) are initially brought to account at cost, except for purchases costing less than \$2,000, which are expensed in the year of acquisition. The Workplace Ombudsman annually reassesses and adjusts the values of land and buildings (leasehold improvements), infrastructure, plant and equipment.

Agency Liabilities – Provisions – Employees

Provision has been made for the Workplace Ombudsman's liability for employee entitlements arising from services rendered by employees to balance date. This liability encompasses unpaid wages and salaries, annual and long service leave. No provision is made for sick leave.

The liability for leave expected to be settled within 12 months has been measured at the nominal amount.

Other employee entitlements payable later than one year have been estimated at the present value of the expected future cash outflows in relation to those entitlements. Attrition rates and pay rises through promotion and wage/salary agreements have been taken into account in calculating the provision for employee entitlements.

Agency Liabilities – Payables – Suppliers

This item mainly comprises trade creditors and operating lease rentals.

Administered Non-Taxation Revenue – Other Sources

This revenue comprises court awarded penalties relating to breaches of the *Workplace Relations Act 1996*. The penalties are administered by the Workplace Ombudsman on behalf of government.

Administered Assets – Financial Assets – Receivables

These assets comprise receivables relating to court awarded penalties for breaches of the *Workplace Relations Act 1996*. The penalties are administered by the Workplace Ombudsman on behalf of government.

Administered Cash Flows

These cash flows relate to court awarded penalties for breaches of the *Workplace Relations Act 1996*. The penalties are administered by the Workplace Ombudsman on behalf of government and are paid directly into the Consolidated Revenue Fund.