

# FAIR WORK OMBUDSMAN

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## **FAIR WORK OMBUDSMAN**

### **Section 1: Agency overview and resources**

#### **1.1 STRATEGIC DIRECTION**

The Fair Work Ombudsman is an independent statutory office created by the *Fair Work Act 2009* on 1 July 2009.

The Fair Work Ombudsman promotes harmonious, productive and cooperative workplace relations and ensures compliance with Commonwealth workplace laws, and does this by:

- offering people a single point of contact for them to receive accurate and timely advice and information about Australia’s workplace relations system
- educating people working in Australia about their workplace rights and obligations
- investigating complaints or suspected contraventions of workplace laws, awards and agreements
- litigating to enforce workplace laws and to deter people from not complying with their workplace responsibilities.

The strategic focus of the Fair Work Ombudsman in 2012-13 is to ensure that there is increased compliance with Commonwealth workplace laws through educating and advising employees, employers, outworkers, outworker entities and organisations about the federal workplace relations system.

## 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: Agency Resource Statement — Budget estimates for 2012-13 as at Budget May 2012**

	Estimate of prior + year amounts available in 2012-13 \$'000	Proposed at Budget = 2012-13 \$'000	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
<b>Ordinary Annual Services<sup>1</sup></b>				
<b>Departmental</b>				
Departmental appropriation	57,478	128,771	186,249	141,790
s31 Relevant agency receipts <sup>2</sup>	-	-	-	-
<b>Total ordinary annual services</b>	<b>57,478</b>	<b>128,771</b>	<b>186,249</b>	<b>141,790</b>
<b>Other services<sup>3</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	15,906	-	15,906	1,400
<b>Total other services</b>	<b>15,906</b>	<b>-</b>	<b>15,906</b>	<b>1,400</b>
<b>Total Available Annual Appropriations</b>	<b>73,384</b>	<b>128,771</b>	<b>202,155</b>	<b>143,190</b>
<b>Special Appropriations</b>				
<b>Total Special Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Appropriations excluding Special Accounts</b>	<b>73,384</b>	<b>128,771</b>	<b>202,155</b>	<b>143,190</b>
<b>Special Accounts</b>				
<b>Total Special Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total resourcing</b>	<b>73,384</b>	<b>128,771</b>	<b>202,155</b>	<b>143,190</b>
Less appropriations drawn from annual or special appropriations	-	-	-	-
<b>Total net resourcing for Fair Work Ombudsman</b>	<b>73,384</b>	<b>128,771</b>	<b>202,155</b>	<b>143,190</b>

<sup>1</sup>Appropriation Bill (No. 1) 2012-13

<sup>2</sup>s31 Relevant Agency receipts - estimate

<sup>3</sup>Appropriation Bill (No.2) 2012-13

Reader note: All figures are GST exclusive.

### 1.3 BUDGET MEASURES

Budget measures relating to the Fair Work Ombudsman are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Agency 2012-13 Budget measures**

	Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures</b>						
One-off 2.5% Efficiency Dividend	1					
Departmental expenses		-	(3,231)	(2,750)	(2,760)	(2,751)
<b>Total</b>		-	<b>(3,231)</b>	<b>(2,750)</b>	<b>(2,760)</b>	<b>(2,751)</b>
Road Safety Remuneration System - establishment	1					
Departmental expenses		-	1,009	1,577	1,370	1,385
<b>Total</b>		-	<b>1,009</b>	<b>1,577</b>	<b>1,370</b>	<b>1,385</b>
Community-based employment advice services - continued funding	1					
Departmental expenses		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Seasonal Labour Mobility Program with Pacific Island Countries and East Timor - establishment	1					
Departmental expenses		-	196	198	200	202
<b>Total</b>		-	<b>196</b>	<b>198</b>	<b>200</b>	<b>202</b>
<b>Total expense measures</b>						
Departmental		-	(2,026)	(975)	(1,190)	(1,164)
<b>Total</b>		-	<b>(2,026)</b>	<b>(975)</b>	<b>(1,190)</b>	<b>(1,164)</b>
<b>Capital measures</b>						
20% Reduction in DCB	1					
Departmental capital		-	(703)	(871)	(1,096)	(1,100)
<b>Total</b>		-	<b>(703)</b>	<b>(871)</b>	<b>(1,096)</b>	<b>(1,100)</b>

Prepared on a Government Financial Statistics (fiscal) basis.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Agencies deliver programs which are the Government actions taken to deliver the stated outcomes. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the Fair Work Ombudsman in achieving Government outcomes.

**Outcome 1: Compliance with workplace relations legislation by employees and employers through advice, education and where necessary enforcement.**

#### **Outcome 1 Strategy**

The workplace rights and obligations of employees, employers, outworkers, outworker entities and organisations are protected and enforced through a mix of targeted compliance and education activities, investigation of breaches of workplace laws with a focus on voluntary compliance and, where necessary, litigation in the courts as a means of both general and specific deterrence.

The Fair Work Ombudsman provides a single national point of contact for accurate and timely advice on the federal workplace relations system.

More than 200 staff provide advice and information on workplace relations matters through the Fair Work Infoline. Fair Work Ombudsman advisors are located in contact centres in a number of states and provide a range of services including telephone advice, email / web support and live chat.

As part of its ongoing educative role, the agency undertakes education and compliance campaigns and provides information services and best practice guides. The educational and compliance campaigns are run at national, state and local levels and target particular industries or geographical locations.

More than 600 Federal Government and State Government employees have been appointed as Fair Work Inspectors. These officers are located in all states and territories and 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 are used when and as required, particularly in cases where breaches have significant consequences, when they affect a vulnerable group or when a person does not acknowledge that the problem requires rectification.

The Fair Work Ombudsman makes public statements about its enforcement activities to educate and ensure it has the trust of the Australian community and to foster general deterrence.

### Outcome 1 Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

**Table 2.1: Budgeted Expenses and Resources for Outcome 1**

<b>Outcome 1: Compliance with workplace relations legislation by employees and employers through advice, education and where necessary enforcement.</b>	2011-12 Estimated Actual Expenses \$'000	2012-13 Estimated Expenses \$'000
<b>Program 1: Education Services and Compliance Activities</b>		
Departmental expenses		
Ordinary Annual Services (Appropriation Bill No. 1) <sup>1</sup>	132,702	125,964
Expenses not requiring Appropriation in the Budget year <sup>2</sup>	10,773	10,684
<b>Total for Program 1</b>	<b>143,475</b>	<b>136,648</b>
<b>Outcome 1 Totals by Appropriation type</b>		
Departmental Expenses		
Ordinary Annual Services (Appropriation Bill No. 1) <sup>1</sup>	132,702	125,964
Expenses not requiring Appropriation in the Budget year <sup>2</sup>	10,773	10,684
<b>Total Expenses for Outcome 1</b>	<b>143,475</b>	<b>136,648</b>
	2011-12	2012-13
<b>Average Staffing Level (number)</b>	<b>823</b>	<b>753</b>

<sup>1</sup> Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

<sup>2</sup> Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense, Audit Fees.

## Contributions to Outcome 1

<b>Program 1: Education Services and Compliance Activities</b>
<p><b>Program objective</b></p> <p>To educate employers, employees, organisations and contractors about the workplace relations system and to ensure compliance with workplace laws.</p>
<p>Linked to:</p> <ul style="list-style-type: none"> <li>The Fair Work Ombudsman and Fair Work Australia were created under the <i>Fair Work Act 2009</i>. The Fair Work Ombudsman and Fair Work Australia develop cooperative approaches to the delivery of services to employees, employers and organisations.</li> </ul>

### Program 1 expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual Departmental Expenses:					
Departmental Items	132,702	125,964	107,238	107,652	107,295
Expenses not requiring Appropriation in the Budget year	10,773	10,684	11,120	10,800	11,102
<b>Total Departmental Expenses</b>	<b>143,475</b>	<b>136,648</b>	<b>118,358</b>	<b>118,452</b>	<b>118,397</b>

### Program 1 deliverables

The deliverables of the Fair Work Ombudsman are to:

- provide information, advice and education on the requirements and flexibilities of workplace laws to foster voluntary compliance
- investigate claims regarding alleged breaches of workplace laws and undertake targeted activities
- litigate, where necessary, to enforce compliance with workplace laws.

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Deliverables					
Education, investigation, provision of advice and information services	143,475	136,648	118,358	118,452	118,397

*Fair Work Ombudsman Budget Statements – Budgeted financial statements*

**Program 1 Key Performance Indicators**

The Key Performance Indicators for the Fair Work Ombudsman are outlined in the following table and cover the key activities of education, advice and information services and investigations.

Key Performance Indicators	2011-12 Revised budget	2012-13 Budget target	2013-14 Forw ard year 1	2014-15 Forw ard year 2	2015-16 Forw ard year 3
Number of targeted campaigns:					
National	4	4	4	4	4
State (number of campaigns in each state/ territory)	2	2	2	2	2
Investigations into complaints about breaches of federal agreements or awards completed within 90 days (percentage of total complaints)	80	80	80	80	80
Calls to the Contact Centre resolved at the first point of contact (percentage of total calls)	80	80	80	80	80
Availability of Contact Centre services (percentage of availability during advertised hours)	99	99	99	99	99
Availability of Website (time available as a percentage of total time)	99	99	99	99	99



## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2012-13. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and Government indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Movement of administered funds between years

The Fair Work Ombudsman has no administered funds appropriations. For this reason Table 3.1.1 is not presented.

#### 3.1.2 Special Accounts

**Table 3.1.2: Estimates of Special Account Flows and Balances**

	Opening balance <b>2012-13</b> <i>2011-12</i>	Receipts <b>2012-13</b> <i>2011-12</i>	Payments <b>2012-13</b> <i>2011-12</i>	Adjustments <b>2012-13</b> <i>2011-12</i>	Closing balance <b>2012-13</b> <i>2011-12</i>
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Monies - <i>Financial Management and Accountability Act 1997</i> s.20 (Unclaimed Wages)	1				
	<b>1,860</b>	<b>200</b>	<b>100</b>	-	<b>1,960</b>
	<i>1,660</i>	<i>300</i>	<i>100</i>	-	<i>1,860</i>
<b>Total Special Accounts</b>					
<b>2012-13 Budget estimate</b>	<b>1,860</b>	<b>200</b>	<b>100</b>	-	<b>1,960</b>
<i>Total Special Accounts</i>					
<i>2011-12 estimated actual</i>	<i>1,660</i>	<i>300</i>	<i>100</i>	-	<i>1,860</i>

#### 3.1.3 Australian Government Indigenous Expenditure

The Fair Work Ombudsman has no specific indigenous expenses. For this reason Table 3.1.3 is not presented.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

The Agency Resource Statement (Table 1.1) details the total 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 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 2012-13 Budget year, including amounts related to meeting future employee entitlement obligations.

### **3.2.2 Analysis of budgeted financial statements**

The Fair Work Ombudsman is budgeting for an operating loss of \$10.6 million in 2012-13.

Total revenues are estimated to be \$126.0 million and total expenses \$136.6 million.

Total assets at the end of the 2012-13 financial year are estimated to be \$102.0 million. The majority of the assets represent property fit outs and receivables (appropriations receivable). Asset acquisitions are planned in Information Technology equipment and systems and on office accommodation fit outs.

Total liabilities for 2012-13 are estimated at \$40.4 million. The largest liability item is accrued employee entitlements.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Comprehensive Income Statement (Showing Net Cost of Services)  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	78,617	72,695	73,851	73,540	71,026
Suppliers	54,185	53,369	33,487	34,212	36,369
Depreciation and amortisation	10,673	10,584	11,020	10,700	11,002
<b>Total expenses</b>	<b>143,475</b>	<b>136,648</b>	<b>118,358</b>	<b>118,452</b>	<b>118,397</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Other revenue	-	-	-	-	-
<b>Total own-source revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gains</b>					
Resources free of charge	100	100	100	100	100
<b>Total gains</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Total own-source income</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Net cost of services</b>	<b>143,375</b>	<b>136,548</b>	<b>118,258</b>	<b>118,352</b>	<b>118,297</b>
Revenue from Government	132,702	125,964	107,238	107,652	107,295
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(10,673)</b>	<b>(10,584)</b>	<b>(11,020)</b>	<b>(10,700)</b>	<b>(11,002)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(10,673)</b>	<b>(10,584)</b>	<b>(11,020)</b>	<b>(10,700)</b>	<b>(11,002)</b>
<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(10,673)</b>	<b>(10,584)</b>	<b>(11,020)</b>	<b>(10,700)</b>	<b>(11,002)</b>
plus non-appropriated expenses; depreciation and amortisation expenses	10,673	10,584	11,020	10,700	11,002
<b>Total comprehensive income (loss) attributable to the Agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

Fair Work Ombudsman Budget Statements – Budgeted financial statements

**Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	1,972	1,972	1,972	1,972	1,972
Trade and other receivables	74,421	66,671	62,067	57,100	57,100
<b>Total financial assets</b>	<b>76,393</b>	<b>68,643</b>	<b>64,039</b>	<b>59,072</b>	<b>59,072</b>
<b>Non-financial assets</b>					
Land and buildings	21,972	24,014	21,855	20,174	15,263
Infrastructure, plant and equipment	1,547	1,365	1,183	2,701	3,501
Intangibles	9,384	7,785	7,186	5,989	3,489
Other	143	143	143	143	143
<b>Total non-financial assets</b>	<b>33,046</b>	<b>33,307</b>	<b>30,367</b>	<b>29,007</b>	<b>22,396</b>
<b>Total assets</b>	<b>109,439</b>	<b>101,950</b>	<b>94,406</b>	<b>88,079</b>	<b>81,468</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	14,857	15,145	15,145	15,145	15,145
Other	7,915	7,915	7,915	7,915	7,915
<b>Total provisions</b>	<b>22,772</b>	<b>23,060</b>	<b>23,060</b>	<b>23,060</b>	<b>23,060</b>
<b>Payables</b>					
Suppliers	17,377	17,377	17,377	17,377	17,377
<b>Total payables</b>	<b>17,377</b>	<b>17,377</b>	<b>17,377</b>	<b>17,377</b>	<b>17,377</b>
<b>Total liabilities</b>	<b>40,149</b>	<b>40,437</b>	<b>40,437</b>	<b>40,437</b>	<b>40,437</b>
<b>Net assets</b>	<b>69,290</b>	<b>61,513</b>	<b>53,969</b>	<b>47,642</b>	<b>41,031</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	82,232	85,039	88,515	92,888	97,279
Reserves	2,126	2,126	2,126	2,126	2,126
Retained surpluses or (accumulated deficits)	(15,068)	(25,652)	(36,672)	(47,372)	(58,374)
<b>Total parent entity interest</b>	<b>69,290</b>	<b>61,513</b>	<b>53,969</b>	<b>47,642</b>	<b>41,031</b>
<b>Total equity</b>	<b>69,290</b>	<b>61,513</b>	<b>53,969</b>	<b>47,642</b>	<b>41,031</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2012-13)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2012</b>					
Balance carried forward from previous period	(15,068)	2,126	-	82,232	69,290
<b>Adjusted opening balance</b>	<b>(15,068)</b>	<b>2,126</b>	<b>-</b>	<b>82,232</b>	<b>69,290</b>
<b>Income and expense</b>					
Surplus (deficit) for the period	(10,584)	-	-	-	(10,584)
<b>Total income and expense recognised directly in equity</b>	<b>(10,584)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,584)</b>
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Departmental Capital Budget (DCBs)	-	-	-	2,807	2,807
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,807</b>	<b>2,807</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2013</b>	<b>(25,652)</b>	<b>2,126</b>	<b>-</b>	<b>85,039</b>	<b>61,513</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(25,652)</b>	<b>2,126</b>	<b>-</b>	<b>85,039</b>	<b>61,513</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	139,292	133,714	111,842	112,619	107,295
<b>Total cash received</b>	<b>139,292</b>	<b>133,714</b>	<b>111,842</b>	<b>112,619</b>	<b>107,295</b>
<b>Cash used</b>					
Employees	80,742	72,407	73,851	73,540	71,026
Suppliers	54,085	53,269	33,387	34,112	36,269
<b>Total cash used</b>	<b>134,827</b>	<b>125,676</b>	<b>107,238</b>	<b>107,652</b>	<b>107,295</b>
<b>Net cash from (or used by) operating activities</b>	<b>4,465</b>	<b>8,038</b>	<b>4,604</b>	<b>4,967</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	14,953	10,845	8,080	9,340	4,391
<b>Total cash used</b>	<b>14,953</b>	<b>10,845</b>	<b>8,080</b>	<b>9,340</b>	<b>4,391</b>
<b>Net cash from (or used by) investing activities</b>	<b>(14,953)</b>	<b>(10,845)</b>	<b>(8,080)</b>	<b>(9,340)</b>	<b>(4,391)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	10,488	2,807	3,476	4,373	4,391
<b>Total cash received</b>	<b>10,488</b>	<b>2,807</b>	<b>3,476</b>	<b>4,373</b>	<b>4,391</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>10,488</b>	<b>2,807</b>	<b>3,476</b>	<b>4,373</b>	<b>4,391</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	1,972	1,972	1,972	1,972	1,972
<b>Cash at the end of the reporting period</b>	<b>1,972</b>	<b>1,972</b>	<b>1,972</b>	<b>1,972</b>	<b>1,972</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	9,088	2,807	3,476	4,373	4,391
Equity injections - Bill 2	1,400	-	-	-	-
<b>Total new capital appropriations</b>	<b>10,488</b>	<b>2,807</b>	<b>3,476</b>	<b>4,373</b>	<b>4,391</b>
<b>Provided for:</b>					
Purchase of non-financial assets	10,488	2,807	3,476	4,373	4,391
<b>Total Items</b>	<b>10,488</b>	<b>2,807</b>	<b>3,476</b>	<b>4,373</b>	<b>4,391</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	5,000	2,580	-	-	-
Funded by capital appropriation - DCB <sup>2</sup>	5,953	5,265	8,080	9,340	4,391
Funded internally from departmental resources <sup>3</sup>	4,000	3,000	-	-	-
<b>TOTAL</b>	<b>14,953</b>	<b>10,845</b>	<b>8,080</b>	<b>9,340</b>	<b>4,391</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	14,953	10,845	8,080	9,340	4,391
less additions by finance lease	-	-	-	-	-
less additions by creditors / borrowings	-	-	-	-	-
<b>Total cash used to acquire assets</b>	<b>14,953</b>	<b>10,845</b>	<b>8,080</b>	<b>9,340</b>	<b>4,391</b>

<sup>1</sup> Includes both current and prior Bill 2/4/6 appropriations and special capital appropriations.

<sup>2</sup> Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

<sup>3</sup> Includes the following sources of funding:

- current and prior year Bill 1/3/5 appropriations (excluding amounts from the DCB)
- donations and contributions
- gifts
- internally developed assets
- s31 relevant agency receipts (for FMA agencies only)
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2012-13)**

	Land and Buildings \$'000	Infrastructure, Plant & Equipment \$'000	Intangibles \$'000	Total \$'000
<b>as at 1 July 2012</b>				
Gross book value	46,145	2,621	23,114	71,880
Accumulated depreciation/amortisation	(24,173)	(1,074)	(13,730)	(38,977)
<b>Opening net book balance</b>	<b>21,972</b>	<b>1,547</b>	<b>9,384</b>	<b>32,903</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
by purchase or internally developed	7,845	-	3,000	10,845
<b>Sub-total</b>	<b>7,845</b>	<b>-</b>	<b>3,000</b>	<b>10,845</b>
<b>Other Movements</b>				
Depreciation/amortisation expense	(5,803)	(182)	(4,599)	(10,584)
<b>as at 30 June 2013</b>				
Gross book value	53,990	2,621	26,114	82,725
Accumulated depreciation/amortisation	(29,976)	(1,256)	(18,329)	(49,561)
<b>Closing net book balance</b>	<b>24,014</b>	<b>1,365</b>	<b>7,785</b>	<b>33,164</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on behalf of Government (for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation</b>					
Other sources of non-taxation revenues	600	300	300	300	300
<b>Total non-taxation</b>	<b>600</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Total revenues administered on behalf of Government</b>	<b>600</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Total income administered on behalf of Government</b>	<b>600</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	-	-	-	-	-
Write down and impairment of assets	-	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on behalf of Government (as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Receivables	864	864	864	864	864
Other financial assets	4	4	4	4	4
<b>Total financial assets</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>868</b>
<b>Total assets administered on behalf of Government</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>868</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	-	-	-	-	-
Subsidies	-	-	-	-	-
Personal benefits	-	-	-	-	-
Grants	-	-	-	-	-
Other payables	-	-	-	-	-
<b>Total payables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interest bearing liabilities</b>					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employee provisions	-	-	-	-	-
Taxation refunds provided	-	-	-	-	-
Other provisions	-	-	-	-	-
<b>Total provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities administered on behalf of Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets/(liabilities)</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>868</b>	<b>868</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	600	300	300	300	300
<b>Total cash received</b>	<b>600</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) operating activities</b>	<b>600</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>600</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
Cash from Official Public Account for:					
- appropriations	-	-	-	-	-
- special accounts	-	-	-	-	-
Cash to Official Public Account for:					
- appropriations	-	-	-	-	-
- special accounts	-	-	-	-	-
- other	(600)	(300)	(300)	(300)	(300)
<b>Cash at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of Asset Movements - Administered**

The Fair Work Ombudsman has no administered assets.

### **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 Fair Work Ombudsman by the Government.

#### **Agency Revenue - Own Source Income**

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

#### **Agency Expenses – Employee Benefits**

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 Fair Work 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 Fair Work 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 Fair Work 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 Fair Work 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 Fair Work 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 Fair Work Act 2009* and other relevant legislation. The penalties are administered by the Fair Work Ombudsman on behalf of Government.

**Administered Assets – Financial Assets – Receivables**

These assets comprise receivables relating to court awarded penalties for breaches of the *Fair Work Act 2009* and other relevant legislation. The penalties are administered by the Fair Work Ombudsman on behalf of Government.

**Administered Cash Flows**

These cash flows relate to court awarded penalties for breaches of the *Fair Work Act 2009* and other relevant legislation. The penalties are administered by the Fair Work Ombudsman on behalf of Government and are paid directly into the Consolidated Revenue Fund.