

# **Fair Work Ombudsman**

**Entity resources and planned  
performance**



# FAIR WORK OMBUDSMAN

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# **FAIR WORK OMBUDSMAN**

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

### **1.1 STRATEGIC DIRECTION STATEMENT**

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 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
- using both informal and formal compliance tools, including litigation when necessary, to enforce workplace laws and to deter people from not complying with their workplace responsibilities.

The strategic focus of the Fair Work Ombudsman in 2015–16 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 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. 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 2015–16 as at Budget May 2015**

	<i>Actual Available Appropriation 2014–15</i>	Estimate of prior year amounts available in 2015–16	Proposed at 2015–16 Budget	Total 2015–16 estimate
	\$'000	\$'000	\$'000	\$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year appropriations <sup>2</sup>	79,653	66,129	-	66,129
Departmental appropriation <sup>3</sup>	115,516	-	117,897	117,897
s74 Retained revenue receipts <sup>4</sup>	1,300	-	800	800
<b>Total</b>	<b>196,469</b>	<b>66,129</b>	<b>118,697</b>	<b>184,826</b>
<b>Total ordinary annual services [A]</b>	<b>196,469</b>	<b>66,129</b>	<b>118,697</b>	<b>184,826</b>
<b>Other services<sup>5</sup></b>	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Total other services [B]</b>	-	-	-	-
<b>Total available annual appropriations [A+B]</b>	<b>196,469</b>	<b>66,129</b>	<b>118,697</b>	<b>187,226</b>
<b>Special appropriations</b>				
<b>Special appropriations limited by criteria/entitlement</b>				
<i>Fair Work Act 2009</i>	500	-	225	225
<b>Total special appropriations [C]</b>	<b>500</b>	<b>-</b>	<b>225</b>	<b>225</b>
<b>Total appropriations excluding special accounts</b>	<b>196,969</b>	<b>66,129</b>	<b>118,922</b>	<b>187,451</b>

**Table 1.1: Agency resource statement — Budget estimates for 2015–16 as at Budget May 2015 (continued)**

	<i>Actual Available Appropriation 2014–15</i>	<i>Estimate of prior year amounts available in 2015–16</i>	<i>Proposed at 2015–16 Budget</i>	<i>Total 2015–16 estimate</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Special accounts</b>	-	-	-	-
<b>Total special accounts [D]</b>	-	-	-	-
<b>Total resourcing [A+B+C+D]</b>	<b>196,969</b>	<b>66,129</b>	<b>118,922</b>	<b>187,451</b>
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	-	-	-
<b>Total net resourcing for agency Fair Work Ombudsman</b>	<b>196,969</b>	<b>66,129</b>	<b>118,922</b>	<b>187,451</b>

<sup>1</sup> Appropriation Bill (No.1) 2015–16.

<sup>2</sup> Estimated adjusted balance carried forward from previous year.

<sup>3</sup> Includes an amount of \$9.811 million in 2015–16 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

<sup>4</sup> Estimated Retained revenue receipts under section 74 of the PGPA Act.

<sup>5</sup> Appropriation Bill (No.2) 2015–16.

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 2015–16 Budget measures**

**Part 2: MYEFO measures not previously reported in a portfolio statement**

	Programme	2014–15 \$'000	2015–16 \$'000	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000
<b>Measures</b>						
Communications and Public Affairs						
Savings	1.1					
Departmental expenses		(75)	(150)	(149)	(151)	(151)
<b>Total</b>		<b>(75)</b>	<b>(150)</b>	<b>(149)</b>	<b>(151)</b>	<b>(151)</b>
<b>Expense measures</b>						
Departmental		(75)	(150)	(149)	(151)	(151)
<b>Total</b>		<b>(75)</b>	<b>(150)</b>	<b>(149)</b>	<b>(151)</b>	<b>(151)</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. Commonwealth programmes are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, 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 advice on the federal workplace relations system.

The Fair Work Ombudsman provides 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 advice on a range of matters including wage rates and conditions of employment.

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.

The Fair Work Ombudsman has appointed a number of staff as Fair Work Inspectors. These officers are located in all states and territories and investigate complaints received regarding alleged instances of non-compliance with federal workplace relations laws. In the majority of instances compliance with workplace relations laws are achieved voluntarily and are 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 promote the general deterrence of those enforcement activities.

**Outcome 1 Budgeted Expenses and Resources**

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

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

	2014–15	2015–16
<b>Outcome 1: Compliance with workplace relations legislation by employees and employers through advice, education and where necessary enforcement.</b>	Estimated actual expenses \$'000	Estimated expenses \$'000
<b>Programme 1.1: Education Services and Compliance Activities</b>		
Administered expenses		
Special appropriations	500	225
Departmental expenses		
Departmental appropriation <sup>1</sup>	115,834	111,286
Expenses not requiring appropriation in the Budget year <sup>2</sup>	10,333	10,701
<b>Total for programme 1.1</b>	<b>126,667</b>	<b>122,212</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered expenses		
Special appropriations	500	225
Departmental expenses		
Departmental appropriation <sup>1</sup>	115,834	111,286
Expenses not requiring appropriation in the Budget year <sup>2</sup>	10,333	10,701
<b>Total expenses for Outcome 1</b>	<b>126,667</b>	<b>122,212</b>
	2014–15	2015–16
<b>Average staffing level (number)</b>	710	685

<sup>1</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

<sup>2</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

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

## Contributions to Outcome 1

### Programme 1.1: Education Services and Compliance Activities

#### Programme objective

To educate employers, employees, organisations and contractors about the workplace relations system and to ensure compliance with workplace laws.

**Table 2.1.1 Programme expenses**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
Special appropriations:					
<i>Fair Work Act 2009</i>	500	225	250	275	250
Annual departmental expenses:					
Departmental items	115,834	111,286	107,084	107,137	107,694
Expenses not requiring appropriation in the Budget year <sup>1</sup>	10,333	10,701	7,102	8,069	7,982
<b>Total programme expenses</b>	<b>126,667</b>	<b>122,212</b>	<b>114,436</b>	<b>115,481</b>	<b>115,926</b>

<sup>1</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

#### Programme 1.1 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.

**Table 2.1.1.A Programme 1.1 Deliverables**

Deliverables	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
Education, investigation, provision of advice and information services	126,167	121,987	114,186	115,206	115,676

**Programme 1.1 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.

**Table 2.1.1.B Programme 1.1 Key performance indicators**

Key performance indicator	2014–15 Revised Budget	2015–16 Budget	2016–17 Forward Estimate	2017–18 Forward Estimate	2018–19 Forward Estimate
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 entity finances for the 2015–16 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme 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**

The Fair Work Ombudsman has no Special Accounts. For this reason Table 3.1.2 is not presented.

#### **3.1.3 Australian Government Indigenous expenditure**

The Fair Work Ombudsman has no Australian Government Indigenous expenditure. 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 2014–15 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 equal to the unappropriated depreciation and amortisation expense of \$10.6 million for the 2015–16 financial year.

Total revenues are estimated to be \$111.2 million and total expenses \$122.0 million.

Total assets at the end of the 2015–16 financial year are estimated to be \$95.8 million. The majority of the assets represent receivables (appropriations receivable) and property fit outs. Asset acquisitions are planned in Information Technology equipment and systems and on office accommodation fit outs.

Total liabilities for 2015–16 are estimated at \$36.1 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**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
<b>EXPENSES</b>					
Employee benefits	74,684	72,904	71,599	72,000	71,564
Suppliers	41,250	38,482	35,585	35,237	36,230
Depreciation and amortisation	10,233	10,601	7,002	7,969	7,882
<b>Total expenses</b>	<b>126,167</b>	<b>121,987</b>	<b>114,186</b>	<b>115,206</b>	<b>115,676</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	4,350	2,900	1,050	690	500
Other	300	300	300	300	300
<b>Total own-source revenue</b>	<b>4,650</b>	<b>3,200</b>	<b>1,350</b>	<b>990</b>	<b>800</b>
<b>Gains</b>					
Other	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>4,750</b>	<b>3,300</b>	<b>1,450</b>	<b>1,090</b>	<b>900</b>
<b>Net cost of/(contribution by) services</b>	<b>121,417</b>	<b>118,687</b>	<b>112,736</b>	<b>114,116</b>	<b>114,776</b>
Revenue from Government	111,184	108,086	105,734	106,147	106,894
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(10,233)</b>	<b>(10,601)</b>	<b>(7,002)</b>	<b>(7,969)</b>	<b>(7,882)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>(10,233)</b>	<b>(10,601)</b>	<b>(7,002)</b>	<b>(7,969)</b>	<b>(7,882)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(10,233)</b>	<b>(10,601)</b>	<b>(7,002)</b>	<b>(7,969)</b>	<b>(7,882)</b>



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

**Note: Impact of net cash appropriation arrangements**

	2014–15	2015–16	2016–17	2017–18	2018–19
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.</b>	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations <sup>1</sup>	10,233	10,601	7,002	7,969	7,882
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(10,233)</b>	<b>(10,601)</b>	<b>(7,002)</b>	<b>(7,969)</b>	<b>(7,882)</b>

<sup>1</sup> 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 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,160	3,160	3,160	3,160	3,160
Trade and other receivables	66,920	63,975	64,190	64,265	63,844
<b>Total financial assets</b>	<b>70,080</b>	<b>67,135</b>	<b>67,350</b>	<b>67,425</b>	<b>67,004</b>
<b>Non-financial assets</b>					
Land and buildings	13,612	12,486	13,913	12,857	13,331
Property, plant and equipment	3,788	3,160	2,491	2,019	2,494
Intangibles	11,138	11,611	10,222	8,702	6,720
Other non-financial assets	1,452	1,452	1,452	1,452	1,452
<b>Total non-financial assets</b>	<b>29,990</b>	<b>28,709</b>	<b>28,078</b>	<b>25,030</b>	<b>23,997</b>
Assets held for sale	-	-	-	-	-
<b>Total assets</b>	<b>100,070</b>	<b>95,844</b>	<b>95,428</b>	<b>92,455</b>	<b>91,001</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	11,164	10,370	11,369	10,844	10,844
<b>Total payables</b>	<b>11,164</b>	<b>10,370</b>	<b>11,369</b>	<b>10,844</b>	<b>10,844</b>
<b>Provisions</b>					
Employee provisions	20,075	19,725	19,450	19,575	19,575
Other provisions	8,261	5,969	4,969	4,969	4,969
<b>Total provisions</b>	<b>28,336</b>	<b>25,694</b>	<b>24,419</b>	<b>24,544</b>	<b>24,544</b>
<b>Total liabilities</b>	<b>39,500</b>	<b>36,064</b>	<b>35,788</b>	<b>35,388</b>	<b>35,388</b>
<b>Net assets</b>	<b>60,570</b>	<b>59,780</b>	<b>59,640</b>	<b>57,067</b>	<b>55,613</b>

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

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	92,562	102,373	109,235	114,631	121,059
Reserves	5,776	5,776	5,776	5,776	5,776
Retained surplus (accumulated deficit)	(37,768)	(48,369)	(55,371)	(63,340)	(71,222)
<b>Total parent entity interest</b>	<b>60,570</b>	<b>59,780</b>	<b>59,640</b>	<b>57,067</b>	<b>55,613</b>
<b>Total Equity</b>	<b>60,570</b>	<b>59,780</b>	<b>59,640</b>	<b>57,067</b>	<b>55,613</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 2015–16)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2015</b>					
Balance carried forward from previous period	(37,768)	5,776	-	92,562	60,570
<b>Adjusted opening balance</b>	<b>(37,768)</b>	<b>5,776</b>	<b>-</b>	<b>92,562</b>	<b>60,570</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	(10,601)	-	-	-	(10,601)
<b>Total comprehensive income</b>	<b>(10,601)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,601)</b>
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity Injection - Appropriation	-	-	-	-	-
Departmental Capital Budget (DCB)	-	-	-	9,811	9,811
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,811</b>	<b>9,811</b>
<b>Estimated closing balance as at 30 June 2016</b>	<b>(48,369)</b>	<b>5,776</b>	<b>-</b>	<b>102,373</b>	<b>59,780</b>

Prepared on Australian Accounting Standards basis.

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

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	124,708	111,031	105,519	106,072	107,315
Sale of goods and rendering of services	4,350	2,900	1,050	690	500
Other	300	300	300	300	300
<b>Total cash received</b>	<b>129,358</b>	<b>114,231</b>	<b>106,869</b>	<b>107,062</b>	<b>108,115</b>
<b>Cash used</b>					
Employees	75,322	73,254	71,874	71,875	71,564
Suppliers	43,069	39,468	34,486	35,662	36,130
Other	2,000	2,000	1,000	-	-
<b>Total cash used</b>	<b>120,391</b>	<b>114,722</b>	<b>107,360</b>	<b>107,537</b>	<b>107,694</b>
<b>Net cash from/(used by) operating activities</b>	<b>8,967</b>	<b>(491)</b>	<b>(491)</b>	<b>(475)</b>	<b>421</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	13,299	9,320	6,371	4,921	6,849
<b>Total cash used</b>	<b>13,299</b>	<b>9,320</b>	<b>6,371</b>	<b>4,921</b>	<b>6,849</b>
<b>Net cash from/(used by) investing activities</b>	<b>(13,299)</b>	<b>(9,320)</b>	<b>(6,371)</b>	<b>(4,921)</b>	<b>(6,849)</b>

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

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	4,332	9,811	6,862	5,396	6,428
<b>Total cash received</b>	<b>4,332</b>	<b>9,811</b>	<b>6,862</b>	<b>5,396</b>	<b>6,428</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/(used by) financing activities</b>	<b>4,332</b>	<b>9,811</b>	<b>6,862</b>	<b>5,396</b>	<b>6,428</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	3,160	3,160	3,160	3,160	3,160
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,160</b>	<b>3,160</b>	<b>3,160</b>	<b>3,160</b>	<b>3,160</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	4,332	9,811	6,862	5,396	6,428
<b>Total new capital appropriations</b>	<b>4,332</b>	<b>9,811</b>	<b>6,862</b>	<b>5,396</b>	<b>6,428</b>
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	4,332	9,811	6,862	5,396	6,428
<b>Total Items</b>	<b>4,332</b>	<b>9,811</b>	<b>6,862</b>	<b>5,396</b>	<b>6,428</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB <sup>1</sup>	11,299	4,320	4,371	4,921	5,849
Funded internally from departmental resources <sup>2</sup>	2,000	5,000	2,000	-	1,000
<b>TOTAL</b>	<b>13,299</b>	<b>9,320</b>	<b>6,371</b>	<b>4,921</b>	<b>6,849</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	13,299	9,320	6,371	4,921	6,849
<b>Total cash used to acquire assets</b>	<b>13,299</b>	<b>9,320</b>	<b>6,371</b>	<b>4,921</b>	<b>6,849</b>

<sup>1</sup> Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).

<sup>2</sup> Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- donations and contributions
- gifts
- internally developed assets
- s 74 Retained revenue receipts
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements (Budget year 2015–16)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2015</b>				
Gross book value	19,160	4,460	27,221	50,841
Accumulated depreciation/amortisation and impairment	(5,548)	(672)	(16,083)	(22,303)
<b>Opening net book balance</b>	<b>13,612</b>	<b>3,788</b>	<b>11,138</b>	<b>28,538</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity <sup>1</sup>	4,977	203	4,140	9,320
<b>Total additions</b>	<b>4,977</b>	<b>203</b>	<b>4,140</b>	<b>9,320</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(6,103)	(831)	(3,667)	(10,601)
<b>Total other movements</b>	<b>(6,103)</b>	<b>(831)</b>	<b>(3,667)</b>	<b>(10,601)</b>
<b>As at 30 June 2016</b>				
Gross book value	24,137	4,663	31,361	60,161
Accumulated depreciation/amortisation and impairment	(11,651)	(1,503)	(19,750)	(32,904)
<b>Closing net book balance</b>	<b>12,486</b>	<b>3,160</b>	<b>11,611</b>	<b>27,257</b>

<sup>1</sup> "Appropriation equity" refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2015-16, including CDABs.

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)**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
<b>EXPENSES</b>					
Other expenses	-	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	-	-	-	-	-
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Non-taxation revenue</b>					
Other revenue	300	300	300	300	300
<b>Total non-taxation revenue</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Total comprehensive income/(loss)</b>	<b>(300)</b>	<b>(300)</b>	<b>(300)</b>	<b>(300)</b>	<b>(300)</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)**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Trade and other receivables	1,281	1,281	1,281	1,281	1,281
Other financial assets	90	90	90	90	90
<b>Total financial assets</b>	<b>1,371</b>	<b>1,371</b>	<b>1,371</b>	<b>1,371</b>	<b>1,371</b>
<b>Total assets administered on behalf of Government</b>	<b>1,371</b>	<b>1,371</b>	<b>1,371</b>	<b>1,371</b>	<b>1,371</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Other payables	-	-	-	-	-
<b>Total payables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<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>1,371</b>	<b>1,371</b>	<b>1,371</b>	<b>1,371</b>	<b>1,371</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	300	300	300	300	300
<b>Total cash received</b>	<b>300</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/(used by) operating activities</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</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/(used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
Cash and cash equivalents at beginning of reporting period					
Cash from Official Public Account for:					
- Appropriations	-	-	-	-	-
<b>Total cash from Official Public Account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash to Official Public Account for:					
- Appropriations	-	-	-	-	-
- Transfers to other entities	(300)	(300)	(300)	(300)	(300)
<b>Total cash to Official Public Account</b>	<b>(300)</b>	<b>(300)</b>	<b>(300)</b>	<b>(300)</b>	<b>(300)</b>
<b>Cash and cash equivalents 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: Administered capital budget statement (for the period ended 30 June)**

The Fair Work Ombudsman has no administered capital budget. For this reason Table 3.2.10 is not presented.

**Table 3.2.11 Statement of administered asset movements (Budget year 2015–16)**

The Fair Work Ombudsman has no administered non-financial assets. For this reason Table 3.2.11 is not presented.

### **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.

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.