

# **Fair Work Ombudsman**

## **Agency Resources and Planned Performance**



# FAIR WORK OMBUDSMAN

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# FAIR WORK OMBUDSMAN

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Fair Work Ombudsman was 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
- making compliance with workplace laws as easy as possible through 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 2014–15 is to ensure that there is increased and easier 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 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 2014–15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Ordinary Annual Services<sup>1</sup></b>				
<b>Departmental</b>				
Prior year Departmental appropriation <sup>2</sup>	67,782	-	67,782	86,011
Departmental appropriation <sup>3</sup>	-	115,591	115,591	116,144
s31 Relevant agency receipts <sup>4</sup>	-	4,650	4,650	-
<b>Total ordinary annual services</b>	<b>A 67,782</b>	<b>120,241</b>	<b>188,023</b>	<b>202,155</b>
<b>Other services<sup>5</sup></b>				
<b>Departmental non-operating</b>	-	-	-	-
<b>Total other services</b>	<b>B -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Available Annual Appropriations</b>	<b>67,782</b>	<b>120,241</b>	<b>188,023</b>	<b>202,155</b>
<b>Special Appropriations</b>				
<i>Fair Work Act 2009</i>	890	200	1,090	948
<b>Total Special Appropriations</b>	<b>C 890</b>	<b>200</b>	<b>1,090</b>	<b>948</b>
<b>Total Appropriations excluding Special Accounts</b>	<b>68,672</b>	<b>120,441</b>	<b>189,113</b>	<b>203,103</b>
<b>Special Accounts</b>				
<b>Total Special Accounts</b>	<b>D -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total resourcing</b>	<b>68,672</b>	<b>120,441</b>	<b>189,113</b>	<b>203,103</b>
A+B+C+D				
Less appropriations drawn from annual or special appropriations	-	-	-	-
<b>Total net resourcing for Fair Work Ombudsman</b>	<b>68,672</b>	<b>120,441</b>	<b>189,113</b>	<b>203,103</b>

<sup>1</sup> Appropriation Bill (No.1) 2014-15.

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

<sup>3</sup> Includes an amount of \$4.332m in 2014-15 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> s31 Relevant Agency receipts - estimate.

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 2014–15 Budget measures**

**Part 1: Measures announced since 2013–14 MYEFO**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Expense measures</b>						
Efficiency Dividend - a further temporary increase of 0.25 per cent	1.0					
Departmental expenses		-	(296)	(579)	(855)	(860)
<b>Total</b>		-	<b>(296)</b>	<b>(579)</b>	<b>(855)</b>	<b>(860)</b>
<b>Total expense measures</b>						
Departmental		-	(296)	(579)	(855)	(860)
<b>Total</b>		-	<b>(296)</b>	<b>(579)</b>	<b>(855)</b>	<b>(860)</b>

Prepared on a Government Financial Statistics (fiscal) basis.

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

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Measures</b>						
Public Services Efficiencies <sup>1</sup>	1.0					
Departmental expenses		(28)	(175)	(482)	(763)	-
<b>Total</b>		<b>(28)</b>	<b>(175)</b>	<b>(482)</b>	<b>(763)</b>	<b>-</b>
Reforms to the APS management and efficient procurement of agency software <sup>2</sup>	1.0					
Departmental expenses		(275)	(388)	(557)	(430)	-
<b>Total</b>		<b>(275)</b>	<b>(388)</b>	<b>(557)</b>	<b>(430)</b>	<b>-</b>
Efficiency Dividend - temporary increase in the rate	1.0					
Departmental expenses		-	(1,209)	(2,692)	(4,138)	(1,109)
<b>Total</b>		<b>-</b>	<b>(1,209)</b>	<b>(2,692)</b>	<b>(4,138)</b>	<b>(1,109)</b>
<b>Total measures</b>						
Departmental		(303)	(1,772)	(3,731)	(5,331)	(1,109)
<b>Total</b>		<b>(303)</b>	<b>(1,772)</b>	<b>(3,731)</b>	<b>(5,331)</b>	<b>(1,109)</b>

<sup>1</sup> This is a measure announced in the 2013-14 Budget but not previously reported in a portfolio statement.

<sup>2</sup> This was a measure announced in the 2013 Economic Statement measure but not previously reported in a portfolio statement.

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 by the Fair Work Ombudsman through a mix of targeted compliance and education activities and investigation of alleged breaches of workplace laws. The Fair Work Ombudsman has a focus on achieving compliance by working with parties and without the need for formal compliance tools in every matter. When appropriate, the Fair Work Ombudsman will use formal compliance tools, such as enforceable undertakings, compliance notices 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 tools to support best practice workplace relations. 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 is achieved without the need for formal compliance tools to be used and is assisted by targeted and industry specific auditing activities. Litigation activities are used when and as required in the most serious cases, particularly 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

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

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

<b>Outcome 1: Compliance with workplace relations legislation by employees and employers through advice, education and where necessary enforcement.</b>	2013-14 Estimated Actual Expenses \$'000	2014-15 Estimated Expenses \$'000
<b>Program 1: Education Services and Compliance Activities</b>		
Administered Expenses		
Special Appropriation	58	200
Departmental Expenses		
Ordinary Annual Services (Appropriation Bill No. 1) <sup>1</sup>	116,385	115,909
Expenses not requiring Appropriation in the Budget year <sup>2</sup>	8,195	10,333
<b>Total for Program 1</b>	<b>124,638</b>	<b>126,442</b>
<b>Outcome 1 Totals by Appropriation type</b>		
Administered Expenses		
Special Appropriation	58	200
Departmental Expenses		
Ordinary Annual Services (Appropriation Bill No. 1) <sup>1</sup>	116,385	115,909
Expenses not requiring Appropriation in the Budget year <sup>2</sup>	8,195	10,333
<b>Total Expenses for Outcome 1</b>	<b>124,638</b>	<b>126,442</b>
	2013-14	2014-15
<b>Average Staffing Level (number)</b>	<b>723</b>	<b>709</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 Expenses, Amortisation Expense, Makegood Expense, Audit Fees.

## Contributions to Outcome 1

### Programme 1: Education Services and Compliance Activities

#### Programme objective

To educate employers, employees, organisations and contractors about the workplace relations system and to ensure that compliance with workplace laws is as easy as possible.

**Table 2.1.1 Programme 1 expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Special Appropriations: <i>Fair Work Act 2009</i>	58	200	200	200	200
<b>Total Administered Expenses</b>	<b>58</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
Annual Departmental Expenses:					
Departmental Items	116,385	115,909	111,755	107,754	108,126
Expenses not requiring Appropriation in the Budget year	8,195	10,333	10,701	7,102	8,069
<b>Total Departmental Expenses</b>	<b>124,580</b>	<b>126,242</b>	<b>122,456</b>	<b>114,856</b>	<b>116,195</b>

Linked to: The Fair Work Ombudsman and Fair Work Australia were created under the *Fair Work Act 2009*. Fair Work Australia was renamed the Fair Work Commission on 1 January 2013 under the *Fair Work Amendment Act 2012*. The Fair Work Ombudsman and the Fair Work Commission develop cooperative approaches to the delivery of services to employees, employers and organisations.

#### Programme 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 and increase compliance
- investigate claims regarding alleged breaches of workplace laws and undertake targeted activities
- enforce compliance with workplace laws through informal and formal compliance tools, such as enforceable undertakings, compliance notices or, where necessary, litigation in the courts.

**Table 2.1.1A Programme 1 deliverables**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Education, investigation, provision of advice and information services	124,638	126,442	122,656	115,056	116,395

## Programme 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 2.1.1B Programme 1 key performance indicators**

Key Performance Indicators	2013-14 Revised budget	2014-15 Budget target	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward 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 2014–15. 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 Australian Government Indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Movement of administered funds between years

The Fair Work Ombudsman has no movement of 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>2014-15</b> 2013-14	Receipts <b>2014-15</b> 2013-14	Payments <b>2014-15</b> 2013-14	Adjustments <b>2014-15</b> 2013-14	Closing balance <b>2014-15</b> 2013-14
	Outcome				
	\$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Monies - <i>Financial Management and Accountability Act 1997 s.20 (Unclaimed Wages)</i>	1				
	-	-	-	-	-
<b>Total Special Accounts 2014-15 Budget estimate</b>	2,709	-	-	(2,709)	-
<b>Total Special Accounts 2013-14 estimated actual</b>	-	-	-	-	-
	2,709	-	-	(2,709)	-

#### 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 \$10.2 million for the 2014–15 financial year.

Total revenues are estimated to be \$116.0 million and total expenses \$126.2 million.

Total assets at the end of the 2014–15 financial year are estimated to be \$85.2 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 2014–15 are estimated at \$29.7 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 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	75,047	74,684	72,904	71,599	72,000
Suppliers	41,438	41,325	38,951	36,255	36,226
Depreciation and amortisation	8,095	10,233	10,601	7,002	7,969
<b>Total expenses</b>	<b>124,580</b>	<b>126,242</b>	<b>122,456</b>	<b>114,856</b>	<b>116,195</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	3,400	4,350	2,900	1,050	690
Other revenue	300	300	300	300	300
<b>Total revenue</b>	<b>3,700</b>	<b>4,650</b>	<b>3,200</b>	<b>1,350</b>	<b>990</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>3,800</b>	<b>4,750</b>	<b>3,300</b>	<b>1,450</b>	<b>1,090</b>
<b>Net cost of services</b>	<b>120,780</b>	<b>121,492</b>	<b>119,156</b>	<b>113,406</b>	<b>115,105</b>
Revenue from Government	112,685	111,259	108,555	106,404	107,136
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(8,095)</b>	<b>(10,233)</b>	<b>(10,601)</b>	<b>(7,002)</b>	<b>(7,969)</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(8,095)</b>	<b>(10,233)</b>	<b>(10,601)</b>	<b>(7,002)</b>	<b>(7,969)</b>
<b>Note: Impact of Net Cash Appropriation Arrangements</b>					
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'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	8,095	10,233	10,601	7,002	7,969
<b>Total comprehensive income (loss) - as per the Statement of Comprehensive Income</b>	<b>(8,095)</b>	<b>(10,233)</b>	<b>(10,601)</b>	<b>(7,002)</b>	<b>(7,969)</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	2,856	2,856	2,856	2,856	2,856
Trade and other receivables	69,167	55,643	49,207	46,931	46,531
<b>Total financial assets</b>	<b>72,023</b>	<b>58,499</b>	<b>52,063</b>	<b>49,787</b>	<b>49,387</b>
<b>Non-financial assets</b>					
Land and buildings	11,127	8,819	7,703	9,150	8,121
Property, plant and equipment	3,002	3,845	3,217	2,548	2,076
Intangibles	8,065	12,596	11,069	9,680	7,660
Other non-financial assets	1,502	1,502	1,502	1,502	1,502
<b>Total non-financial assets</b>	<b>23,696</b>	<b>26,762</b>	<b>23,491</b>	<b>22,880</b>	<b>19,359</b>
<b>Total assets</b>	<b>95,719</b>	<b>85,261</b>	<b>75,554</b>	<b>72,667</b>	<b>68,746</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employee provisions	18,438	17,800	17,450	17,175	17,300
Other provisions	8,202	6,202	3,910	2,910	2,910
<b>Total provisions</b>	<b>26,640</b>	<b>24,002</b>	<b>21,360</b>	<b>20,085</b>	<b>20,210</b>
<b>Payables</b>					
Suppliers	7,664	5,745	4,951	5,950	5,425
<b>Total payables</b>	<b>7,664</b>	<b>5,745</b>	<b>4,951</b>	<b>5,950</b>	<b>5,425</b>
<b>Total liabilities</b>	<b>34,304</b>	<b>29,747</b>	<b>26,311</b>	<b>26,035</b>	<b>25,635</b>
<b>Net assets</b>	<b>61,415</b>	<b>55,514</b>	<b>49,243</b>	<b>46,632</b>	<b>43,111</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	88,498	92,830	97,160	101,551	105,999
Reserves	1,039	1,039	1,039	1,039	1,039
Retained surpluses or (accumulated deficits)	(28,122)	(38,355)	(48,956)	(55,958)	(63,927)
<b>Total parent entity interest</b>	<b>61,415</b>	<b>55,514</b>	<b>49,243</b>	<b>46,632</b>	<b>43,111</b>
<b>Total equity</b>	<b>61,415</b>	<b>55,514</b>	<b>49,243</b>	<b>46,632</b>	<b>43,111</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 2014–15)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	(28,122)	1,039	-	88,498	61,415
<b>Adjusted opening balance</b>	<b>(28,122)</b>	<b>1,039</b>	<b>-</b>	<b>88,498</b>	<b>61,415</b>
<b>Income and expense</b>					
Surplus (deficit) for the period	(10,233)	-	-	-	(10,233)
<b>Total income and expense recognised directly in equity</b>	<b>(10,233)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,233)</b>
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Departmental Capital Budget (DCBs)	-	-	-	4,332	4,332
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,332</b>	<b>4,332</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>(38,355)</b>	<b>1,039</b>	<b>-</b>	<b>92,830</b>	<b>55,514</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	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	3,600	4,350	2,900	1,050	690
Appropriations	130,914	124,783	114,991	108,680	107,536
Other	300	300	300	300	300
<b>Total cash received</b>	<b>134,814</b>	<b>129,433</b>	<b>118,191</b>	<b>110,030</b>	<b>108,526</b>
<b>Cash used</b>					
Employees	75,107	75,322	73,254	71,874	71,875
Suppliers	53,802	43,144	39,645	35,156	36,651
Other	1,301	2,000	2,000	1,000	-
<b>Total cash used</b>	<b>130,210</b>	<b>120,466</b>	<b>114,899</b>	<b>108,030</b>	<b>108,526</b>
<b>Net cash from (or used by) operating activities</b>	<b>4,604</b>	<b>8,967</b>	<b>3,292</b>	<b>2,000</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>

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash used</b>					
Purchase of property, plant and equipment	8,063	13,299	7,622	6,391	4,448
<b>Total cash used</b>	<b>8,063</b>	<b>13,299</b>	<b>7,622</b>	<b>6,391</b>	<b>4,448</b>
<b>Net cash from (or used by) investing activities</b>	<b>(8,063)</b>	<b>(13,299)</b>	<b>(7,622)</b>	<b>(6,391)</b>	<b>(4,448)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	3,459	4,332	4,330	4,391	4,448
<b>Total cash received</b>	<b>3,459</b>	<b>4,332</b>	<b>4,330</b>	<b>4,391</b>	<b>4,448</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>3,459</b>	<b>4,332</b>	<b>4,330</b>	<b>4,391</b>	<b>4,448</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	2,856	2,856	2,856	2,856	2,856
<b>Cash at the end of the reporting period</b>	<b>2,856</b>	<b>2,856</b>	<b>2,856</b>	<b>2,856</b>	<b>2,856</b>

Prepared on Australian Accounting Standards basis

**Table 3.2.5: Departmental capital budget statement**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	3,459	4,332	4,330	4,391	4,448
<b>Total new capital appropriations</b>	<b>3,459</b>	<b>4,332</b>	<b>4,330</b>	<b>4,391</b>	<b>4,448</b>
<b>Provided for:</b>					
Purchase of non-financial assets	3,459	4,332	4,330	4,391	4,448
<b>Total Items</b>	<b>3,459</b>	<b>4,332</b>	<b>4,330</b>	<b>4,391</b>	<b>4,448</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB <sup>1</sup>	8,063	11,299	4,330	4,391	4,448
Funded internally from departmental resources <sup>2</sup>	-	2,000	3,000	2,000	-
<b>TOTAL</b>	<b>8,063</b>	<b>13,299</b>	<b>7,330</b>	<b>6,391</b>	<b>4,448</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	8,063	13,299	7,330	6,391	4,448
<b>Total cash used to acquire assets</b>	<b>8,063</b>	<b>13,299</b>	<b>7,330</b>	<b>6,391</b>	<b>4,448</b>

<sup>1</sup> Does not include annual finance lease costs. Include purchase 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
- 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 non-financial asset movements – departmental**

	Infrastructure,			Total \$'000
	Land and Buildings \$'000	Plant & Equipment \$'000	Intangibles \$'000	
<b>as at 1 July 2014</b>				
Gross book value	36,476	4,881	21,014	62,371
Accumulated depreciation/amortisation	(25,349)	(1,879)	(12,949)	(40,177)
<b>Opening net book balance</b>	<b>11,127</b>	<b>3,002</b>	<b>8,065</b>	<b>22,194</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
by purchase or internally developed	2,994	1,503	8,802	13,299
<b>Sub-total</b>	<b>2,994</b>	<b>1,503</b>	<b>8,802</b>	<b>13,299</b>
<b>Other Movements</b>				
Depreciation/amortisation expense	(5,302)	(660)	(4,271)	(10,233)
<b>as at 30 June 2015</b>				
Gross book value	39,470	6,384	29,816	75,670
Accumulated depreciation/amortisation	(30,651)	(2,539)	(17,220)	(50,410)
<b>Closing net book balance</b>	<b>8,819</b>	<b>3,845</b>	<b>12,596</b>	<b>25,260</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	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'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	300	300	300	300	300
<b>Total non-taxation</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Total revenues administered on behalf of Government</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Total income administered on behalf of Government</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Other expenses	-	-	-	-	-
<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	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Receivables	919	919	919	919	919
Other financial assets	-	-	-	-	-
<b>Total financial assets</b>	<b>919</b>	<b>919</b>	<b>919</b>	<b>919</b>	<b>919</b>
<b>Total assets administered on behalf of Government</b>	<b>919</b>	<b>919</b>	<b>919</b>	<b>919</b>	<b>919</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</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>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'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 (or used by) operating activities</b>	<b>300</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>300</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	(300)	(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 non-financial asset movements - administered**

The Fair Work Ombudsman has no administered non-financial 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.

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.



