



Commonwealth
OMBUDSMAN



ANNUAL REPORT 2014-15

Credits

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LETTER OF TRANSMITTAL



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14 October 2015

The Hon Malcolm Turnbull MP
Prime Minister of Australia
Parliament House
CANBERRA ACT 2600

Dear Prime Minister

I have pleasure in submitting the 38th Commonwealth Ombudsman Annual Report for the year ended 30 June 2015, as required by s 46 of the *Public Governance, Performance and Accountability Act 2013*.

I certify that this report has been prepared in accordance with the Requirements for Annual Reports for 2014–15 as approved by the Joint Committee of Public Accounts and Audit under sections 63(2) and 70(2) of the *Public Service Act 1999*.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Colin Neave".

Colin Neave
Commonwealth Ombudsman

GUIDE TO THE REPORT

Through the Commonwealth Ombudsman Annual Report, we meet parliamentary reporting requirements and provide information to the community about the complaints handled by our office and our other activities to improve public administration.

Our report contains information that is relevant for members of parliament, Australian Government departments and agencies, other ombudsman offices, the media, potential employees and consultants, and the wider public. As some parts of the report will be of more interest to you than others, this page may help direct you to the sections that will be the most useful. The foreword provides a broad summary of the year.

The 2014–15 Commonwealth Ombudsman Annual Report has two major sections: 'About us', which includes corporate information, and 'What we do', which provides information about our activities over the past year. This is supplemented by a references section and appendixes.

ABOUT US

This section describes our:

- roles and functions
- organisational structure
- senior management team
- corporate governance
- ecological and environmental performance
- external scrutiny
- people management
- financial management
- purchasing.

WHAT WE DO

This section provides information about our work in our major areas of responsibility, including:

- Performance report – our objectives, deliverables and key performance indicators
- Complaint-handling overview, including own motion reports
- Social services – Centrelink and Child Support
- Australia Post
- Australian Taxation Office
- Immigration
- Overseas Students Ombudsman
- Defence
- Law enforcement and inspections (compliance auditing)
- Public Interest Disclosure scheme
- International – our role within the international community of ombudsmen.

Departments and agencies were given the opportunity to comment on those draft sections of this report that relate to their organisations.

APPENDIXES

The appendixes include information about:

- the Information Publication Scheme
- statistics on the number of approaches and complaints received about individual Australian Government agencies
- additional reporting on the Postal Industry Ombudsman
- agency resource statement
- financial statements.

A list of tables and figures contained in the body of the report is also included under References, while a glossary, and the address of each of our offices, is included towards the end of the report.

CONTACTING THE OMBUDSMAN

Enquiries about this report should be directed to the Manager, Communication, Commonwealth Ombudsman (by email to ombudsman@ombudsman.gov.au).

If you would like to make a complaint or obtain further information about the Ombudsman, you can do one of the following things:

Visit our website at:

www.ombudsman.gov.au where you can complete an online complaint form.

Phone:

1300 362 072 from 9am to 5pm, Monday to Friday.

(Note: this is not a toll-free number and calls from mobile phones are charged at mobile phone rates.)

Write to:

GPO Box 442, Canberra ACT 2601.

This report is available on our website.

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FOREWORD

The Ombudsman's Office has again had a busy and productive year.

A defining feature of the reporting period is the work we have done within the office and with departments and agencies to prepare for the future. Accordingly, the theme of this year's annual report is 'looking forward'.

The Australian Public Service is going through a period of intense change and my office is no exception. During the year we focused on how we and the organisations we oversight can meet the challenges of the future.

COMPLAINT HANDLING BY COMMONWEALTH AND ACT AGENCIES

In October 2014 I released a report into an investigation of complaint management by Commonwealth and ACT agencies. The report provides a benchmark to assist future development of agency complaint-handling practices.

We examined agencies' complaint handling arrangements from a number of perspectives, including accessibility, fairness, responsiveness, efficiency, working with multiple agencies, remedies for complainants, and how information from complaints is used as part of agencies' continuous improvement.

Pleasingly, we found that government agencies are more focused on resolving complaints and meeting customer expectations than they were 20 years ago when we made our first systematic examination of agency complaint handling arrangements.

But there is still more to be done.

A key recommendation was that agencies' complaints systems need to be accessible to vulnerable people. People who face challenges such as remoteness, a lack of literacy, disability, or homelessness are more likely to have problems with government, so it is important that the complaint system is accessible and flexible enough to help them resolve problems before they grow into larger disputes.

We look forward to working with agencies to help ensure their complaint handling continues to improve.

CHANGES IN JURISDICTION

During the year we responded to machinery of government changes and new policy initiatives. We were asked to take on new functions and responsibilities, and also to effect the transfer of responsibility for some complaints to another agency.

Private health insurance

We prepared to assume responsibility for private health insurance complaints from the Private Health Insurance Ombudsman on 1 July 2015. Legislation to give effect to the transfer of responsibility was passed by the Parliament in May 2015.

The role of the Private Health Insurance Ombudsman (PHIO) is to protect the interests of people covered by private health insurance. PHIO carries out this role in a number of ways, including an independent complaints handling service, education and advice services for consumers and providing advice to industry and government about issues of concern to consumers.

This exciting new jurisdiction adds to my office's other 'industry' ombudsman functions – the Overseas Students Ombudsman and the Postal Industry Ombudsman.

We look forward to continuing the excellent work of the PHIO as part of our new, expanded office.

I also take this opportunity to thank the previous Private Health Insurance Ombudsman, Samantha Gavel, for her outstanding contribution as a leader and fellow ombudsman, and wish her well for the future.

Data retention oversight

The office's role overseeing law enforcement agencies' use of intrusive and coercive powers will also expand.

In April 2015 the Parliament passed a range of amendments to the *Telecommunications (Interception and Access) Act 1979* (TIA Act) addressing the retention of data by telecommunications providers and law enforcement agencies' access to that data.

The amendments included a substantial new function for my office to oversight law enforcement agency compliance with the new data retention regime. This strengthens my office's already significant role as part of the Commonwealth's integrity framework and I look forward to reporting on our progress in future annual reports.

FOI complaints

As a result of the Government's decision to abolish the Office of the Australian Information Commissioner, on 1 November 2014 we assumed responsibility for handling complaints about the processing of freedom of information requests.

Taxation Ombudsman

On 1 May 2015 I ceased performing the role of Taxation Ombudsman. The handling of taxation-related complaints is now the responsibility of the Inspector-General of Taxation.

During the year my office and the Office of the Inspector-General of Taxation worked together to ensure a smooth transition of responsibility.

It is important to acknowledge the achievements of my office and my predecessors in performing the Taxation Ombudsman role, which was originally created in 1995 to increase the focus on investigating complaints about the Australian Taxation Office.

We assisted many thousands of ordinary taxpayers with their complaints about the ATO. We also achieved significant results working with the ATO to help it improve its own complaint-handling capacity.

I wish the Inspector-General of Taxation well in his expanded role, but I reiterate the concerns I have expressed elsewhere about the proliferation of niche complaint handling bodies at the expense of the Ombudsman's capacity to have visibility of, and address, whole-of-government issues.

FUTURE VISION

Finally, we also looked at the way we manage our own business and how we articulate our purpose.

As government's activities and citizens' expectations of government change, so must Ombudsmen. In today's rapidly changing public sector environment, the role of the Ombudsman is evolving.

For some time my office has articulated its purpose this way:

To influence agencies to treat people fairly through our investigation of their administration.

But the public sector of the future is going to require more of my office. I now describe the purpose of my role and that of my office this way:

- To provide **assurance** that the organisations we oversight act with **integrity** and treat people fairly, and
- To **influence** enduring systemic **improvement** in public administration in Australia and the region.

The four key concepts, or pillars, that will guide the evolution of my office are:

- **Assurance** – we will provide assurance to agencies, the Government and the public that the organisations we oversight are dealing with complaints effectively. We will strive to be valued for providing a professional and impartial complaint-handling service, and to form a key element in enhancing citizens' access to justice.
- **Integrity** – we will maintain and enhance our integrity role in assessing agency compliance with legislation in the use of covert or coercive powers, in overseeing the public interest disclosure scheme, and in delivering an agile and responsive immigration ombudsman capability.
- **Influence** – we will build strong relationships to influence outcomes through investigation of complaints, recommendations to government and own motion investigations.

- **Improvement** – we will focus on encouraging systemic improvement in public administration, examine new ways to measure and report on our impact on agency behaviour and public administration, and act as thought leaders on issues of public administration through collaboration with agencies, academia and other civil society organisations.

CONCLUSION

For nearly 40 years the Commonwealth Ombudsman has been a leader in building better public administration, and promoting good governance, accountability and transparency through oversight of government administration and service delivery.

Just as the public sector of today is different to the public sector of 40 years ago, so must the Ombudsman grow and adapt.

The changes happening in the Australian public sector landscape are significant.

I look forward to working with all agencies, and the enthusiastic and professional staff of my office, to continue to support strong and effective public administration.

Colin Neave

Commonwealth Ombudsman

ABOUT US

ROLES AND FUNCTIONS

The Office of the Commonwealth Ombudsman is an independent statutory agency established by the *Ombudsman Act 1976*.

The office safeguards the community in its dealings with Australian Government agencies and certain private sector organisations. We ensure that their administrative actions are fair and accountable by handling complaints, conducting investigations, performing audits and inspections, encouraging good administration and discharging specialist oversight tasks.

The office has five major statutory functions:

1. Complaint investigations: conducting reviews of, and investigations into, the administrative actions of Australian Government officials, agencies and their service providers upon receipt of complaints from individuals, groups or organisations. The role includes investigating the actions of registered private providers of training for overseas students and registered private postal operators.
2. Own motion investigations: on the Ombudsman's own initiative, conducting investigations into the administrative actions of Australian Government agencies. These investigations often arise from insights gained through handling individual complaints and our other oversight responsibilities.
3. Compliance audits: inspecting the records of agencies such as the Australian Federal Police (AFP) and Australian Crime Commission (ACC) to ensure they comply with legislative requirements applying to selected law enforcement and regulatory agencies.
4. Immigration detention oversight: under s 4860 of the *Migration Act 1958*, reporting to the Immigration Minister on the detention arrangements for people in immigration detention for two years or more (and on a six-monthly basis thereafter). Our reports, as well as the Minister's response, are tabled in the Parliament. In addition, as Immigration Ombudsman we also oversight immigration detention facilities through a program of regular announced and unannounced visits to detention centres.
5. The Commonwealth Public Interest Disclosure scheme: the *Public Interest Disclosure Act 2013* established a Commonwealth Government scheme to encourage public officials to report suspected wrongdoing in the Australian public sector. The office is responsible for promoting awareness and understanding of the Act and monitoring its operation; as well as providing guidance, information and resources about making, managing and responding to public interest disclosures.

Handling complaints and conducting own motion investigations are our traditional activities, and account for most of our work. The guiding principle in our investigations is to examine whether any administrative action is unlawful, unreasonable, unjust, improperly discriminatory, factually deficient or otherwise wrong.

At the conclusion of an investigation, the Ombudsman may recommend that corrective action be taken by an agency, either specifically in an individual case or more generally, by a change to relevant legislation, administrative policies or procedures.

We seek to foster good public administration within Australian Government agencies by encouraging principles and practices that are sensitive, responsive and adaptive to the needs of members of the public. The office is impartial and independent and does not provide advocacy services for complainants or for agencies.

The Ombudsman may consider complaints about most Australian Government departments and agencies, and most contractors delivering services to the community for, or on behalf of, the Australian Government.

In addition, the Ombudsman Act confers five specialist roles on the Ombudsman:

- Defence Force Ombudsman, to investigate action arising from the service of a member of the Australian Defence Force
- Immigration Ombudsman, to investigate action taken in relation to immigration administration (including monitoring immigration detention)
- Law Enforcement Ombudsman, to investigate conduct and practices of the Australian Federal Police and its members

- Postal Industry Ombudsman, to investigate complaints about Australia Post and private postal operators registered with the Postal Industry Ombudsman scheme
- Overseas Students Ombudsman, to investigate complaints from overseas students about private education providers in Australia.

From 1 July 2015 the Ombudsman will also be the Private Health Insurance Ombudsman, responsible for protecting the interests of private health insurance consumers.

The Commonwealth Ombudsman is the ACT Ombudsman in accordance with s28 of the *ACT Self-Government (Consequential Provisions) Act 1988* (Cth). The role is performed under the *Ombudsman Act 1989* (ACT) and is funded under a services agreement between the Commonwealth Ombudsman and the ACT Government.

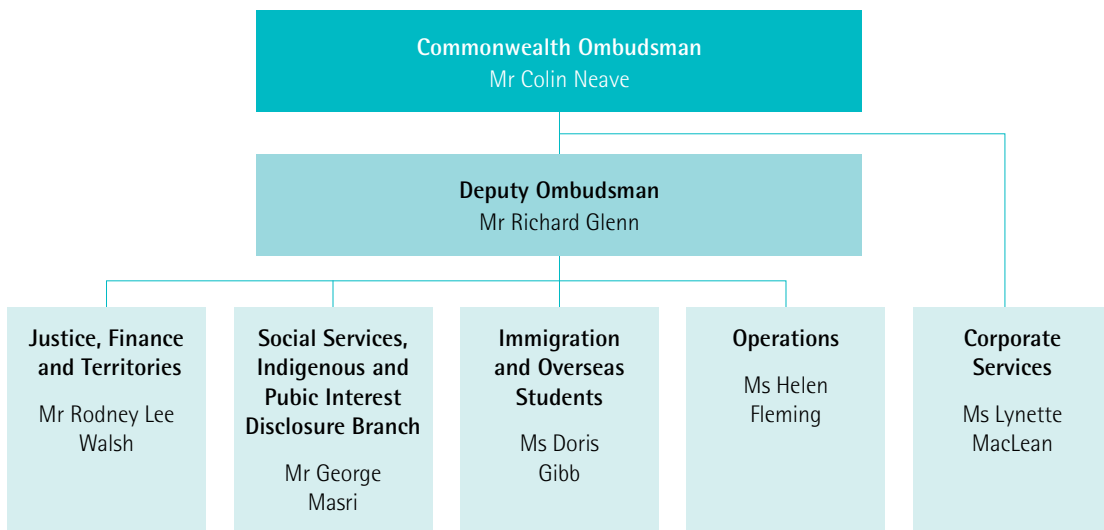
The ACT Ombudsman Annual Report is submitted separately to the ACT Legislative Assembly.

ORGANISATIONAL STRUCTURE

The national office of the Commonwealth Ombudsman is in Canberra. We also have offices in Adelaide, Brisbane, Melbourne, Perth and Sydney.

The Ombudsman and Deputy Ombudsman are statutory officers appointed under the Ombudsman Act. Employees are engaged pursuant to the *Public Service Act 1999*. Senior Assistant Ombudsmen are Senior Executive Service Band 1 employees. The Executive and Senior Management structure is provided at Figure 1.

Figure 1 Executive and Senior Management structure at 30 June 2015



REPORT ON PERFORMANCE

This chapter summarises the office's performance based on the outcomes and program structure set out in the Portfolio Budget Statements and Portfolio Additional Estimates Statements 2014–15.

An overview of people and financial management performance is provided at 23. Further financial information is available in the Appendixes.

PROGRAM OBJECTIVES, DELIVERABLES AND KEY PERFORMANCE INDICATOR ANALYSIS

The 2014–15 Portfolio Budget Statements (PBS) provide that the office **outcome** is:

Fair and accountable administration by Australian Government agencies by investigating complaints, reviewing administrative action and inspecting statutory compliance by law enforcement agencies.

The office's **objectives** under the PBS are to:

- contribute to the fair treatment of people by the agencies we oversight
- provide an accessible, effective and targeted complaint-handling service
- accurately assess agency compliance with legislation in the agency use of covert or coercive powers.

The office's program **deliverables** under the PBS include:

- identification and reporting of significant and systemic problems in public administration including making recommendations and reporting on implementation
- targeted stakeholder engagement through the provision of information and education regarding the role of the office
- contribution to public administration through speeches, reports, submissions and best practice guides
- oversight of selective covert or coercive powers used by relevant agencies.

Our office **key performance indicators** are:

Qualitative

- handling of investigated complaints meets internal and external service standards
- inspections conducted and reports produced in accordance with legislative and other requirements
- Ombudsman recommendations monitored for implementation within agencies

Quantitative

- investigations, reports and submissions to Parliament and Government completed and timely
- inspections and reports completed within statutory timeframes.

COMPLAINTS OVERVIEW

Complaints and approaches received

In 2014–15 we received a total of 28,154 complaints and other approaches (such as calls received to request a publication), compared to 23,529 received in 2013–14, an increase of 20%.

Of the 20,940 in-jurisdiction complaints received this year (compared to 17,577 in 2013–14), 77% related to four agencies: the Department of Human Services (Centrelink 6280 and Child Support 1468), Australia Post (5613), the Department of Immigration and Border Protection (1810), and the Australian Taxation Office (1118). Complaints received about Centrelink increased by 26% over the previous year and comprised 30% of all in-jurisdiction complaints received.

It is also noteworthy that the number of complaints about Australia Post increased by 38% in 2014–15, following an 11% increase in 2013–14 over the previous year.

Complaints about the Australian Taxation Office decreased by 18% but this in part is as a result of the Inspector-General of Taxation taking over responsibility for handling complaints about the ATO from 1 May 2015.

We also received 121 complaints about agencies' handling of freedom of information applications in 2014–15, compared to 55 in 2013–14. This follows us assuming sole responsibility for handling freedom of information-

related complaints from 1 November 2014 in view of the proposed abolition of the Office of the Australian Information Commissioner from 1 January 2015.

Although 2013–14 had seen a 29% decrease in out-of-jurisdiction complaints, the number of such complaints rose again in 2014–15 to 7214. An overwhelming proportion of out-of-jurisdiction complaints were received by email, often with the writer copying multiple complaint-handling bodies simultaneously.

Dealing with out-of-jurisdiction complaints can place an unnecessary burden on our resources. It is hoped that by seeking to redirect potential complainants to our revised online complaint form, which is designed to assist complainants identify where their complaint might be best directed, will reduce the number of out-of-jurisdiction complaints we receive.

It is noteworthy that since the revised online form was introduced in March 2015, online complaints have overtaken the number of complaints received by email.

We receive approaches by a variety of methods. Table 1 shows the methods by which approaches and complaints were received from 2011–12 to 2014–15.

Table 1 Approaches by method

YEAR	PHONE	WRITTEN	IN PERSON	EMAIL
2014–15	57%	4%	3%	36%
2013–14	56%	5%	3%	36%
2012–13	57%	6%	2%	35%
2011–12	70%	5%	2%	23%

Table 1 highlights the continuing impact of the changes in our telephony system that were introduced in late 2012, with 70% of approaches being received by telephone in the year prior to the changes compared to approximately 57% in subsequent years.

Complaint handling

We were able to finalise 21,044 in-jurisdiction complaints in 2014–15, a 20% increase on 2013–14. Most of these complaints (89%) were able to be finalised without having to commence an investigation.

This is because of our continuing emphasis on encouraging complainants to first complain to the agency about which they have a concern, as well as taking the opportunity, where appropriate, to provide some key agencies with a further opportunity to resolve a complaint made about them.

Of the complaints investigated, 24% required more substantial investigation (categories four and five in our five-category complaint system), with some requiring the involvement of senior managers. This figure is slightly more than in 2013–14 (21%).

We continue to make a conscious effort to improve our performance by seeking to reduce delays in our complaint handling. There was a 15% decrease in the number of complaints remaining open at the end of 2014–15 (806 compared to 945 in 2013–14) and follows a 9% decrease the previous year.

Reviews

We have a formal non-statutory review process for complainants who may be dissatisfied with the conclusions we reach and make about their complaint.

As a first step, the investigation officer will reconsider their decision where a complainant indicates they are dissatisfied with that decision. A complainant who remains dissatisfied following the reconsideration may request a review by an officer not previously involved in the matter.

In 2014–15, we received 154 requests for review, compared to 128 received in 2013–14.

In terms of dealing with the review requests on hand at the beginning of 2014–15, together with those received during the year, we declined 103 requests, affirmed the original investigation decision in 25 reviews, decided to investigate or further investigate in 22 complaints and to change the original investigation decision in three. One request for review was withdrawn by a complainant.

The significant proportion of review requests declined is consistent with an increased focus as to whether by undertaking a review there was any reasonable prospect of getting a better outcome for the complainant.

DELIVERABLES AND KEY PERFORMANCE INDICATORS

Deliverable 1: Identify and report on systemic issues in public administration, including making recommendations and reporting on their implementation

In December 2014 we released a public report into our investigation of a complaint about the Australian Community Pharmacy Authority, and the way in which the issues at the heart of the complaint were managed by the Department of Health and the Department of Human Services. We will be following up the departments' implementation of the recommendations in that report during 2015–16.

In April 2015 we published a report about CASA and its handling of coronial recommendations regarding fatalities in the general aviation industry.

The report was prompted by public criticism by coroners of CASA's apparent lack of response to and acceptance of recommendations about enhancing public safety in civil aviation in Australia. CASA accepted all eight recommendations we made.

Based on this report we have prepared a fact sheet for government agencies outlining good administrative practice for responding to coronial recommendations. In developing this fact sheet we consulted with state and federal government bodies that routinely receive coronial recommendations, including CASA.

Deliverable 2: Encourage agencies to improve internal complaints handling systems and ensure they are accessible

KPI 1: Percentage or number of complaints handled or resolved within internal service standards

In 2013–14 our Operations Branch met our service standard timeframes for finalising the processing of all investigated complaints in 2013–14.

Unfortunately, the branch was not able to repeat this level of performance in 2014–15 with 81% of all investigated complaints being finalised within our service standards. This is partly a result of dealing with an increased complaint workload overall and resource constraints.

It is also partly a result of external factors. Our service standard for investigated complaints takes into account a period for agencies to respond to questions we ask them as part of an investigation.

This period is usually up to 28 days. However, in 2014–15 a number of agencies regularly exceeded this time period. We continue to work with agencies to seek timely responses although we recognise that they too may also be subject to restraints.

KPI 2: Percentage or number of remedial investigation recommendations made, accepted and implemented

In 2014–15 we made comments or suggestions in relation to 122 complaints that we investigated where we considered that shortcomings had been identified or there was scope for agencies to improve their administrative practices.

We completed and reported on four more in-depth investigations that arose from individual complaint investigations:

- Department of Immigration and Border Protection – Report into an investigation of a complaint about property management at an immigration facility. We made two recommendations, one of which the department committed to take action on
- Department of Health – Avoiding and acknowledging mistakes, Investigation of a complaint about the Australian Community Pharmacy Authority. We made four recommendations that were broadly supported by the department as providing an opportunity to improve processes in relation to the authority and the department more generally
- Department of Education and Training – Compensation for errors made by contracted service providers. We made three recommendations. Although the department accepted two of the recommendations, it considered that the third recommendation raised whole-of-government issues that would be more appropriately dealt with by the Department of Finance. The third recommendation related to agencies providing compensation where their service providers or agents have caused a third

party to suffer a loss. We have since raised the issue with the Department of Finance and expect a response in 2015-16

- Civil Aviation Safety Authority – Responding to coronial recommendations. We made eight recommendations which were all broadly accepted by the authority.

KPI 3: Number of discretionary decisions to not, or to cease to, investigate

During 2014–15 we declined to investigate 13,065 complaints. A common reason for declining an investigation was because a person seeking to make a complaint had not first complained to the agency that they wanted to complain about.

We also decided to cease investigation of a further 2301 complaints. In most cases this occurred because a remedy had either been achieved through the course of the investigation or because further investigation was not going to result in a better or different outcome for a complainant.

KPI 4: The Ombudsman is satisfied that complaint investigations appropriately identify and report on systemic issues in public administration, and make salient, practical and useful recommendations

This office identifies and records recurring issues from complaints, statutory reports, inspections and stakeholder engagement. Significant or systemic issues are pursued with the agencies and the Ombudsman makes recommendations where appropriate to improve public administration.

In 2014–15 we finalised and published our own motion complaint investigation into agency internal complaint-handling across government, *Complaint management by government agencies*.

The investigation found that agencies' handling of complaints had improved noticeably in the past 20 years but that, nevertheless, there was scope for improvement with a particular focus on vulnerable people and complaint resolution, as well as using complaint information as a tool in business improvement. We also undertook to update our Better practice guide to complaint handling.

In 2014–15 we published three issues papers highlighting systemic issues identified through our investigation of complaints from overseas students under our Overseas Students Ombudsman jurisdiction.

In August 2014 we also published an issues paper on Overseas Student Health Cover, which made recommendations for the Department of Education and Training, the Department of Immigration and Border Protection and the Department of Health to consider. We followed up on the recommendations six months later and published a summary of the outcomes in May 2015.

We published two further issues papers in March and May 2015. They were about private registered education providers' written agreements relating to fee dispute and refund complaints, and providers' monitoring of overseas students' course progress and attendance. The papers highlight key mistakes we see providers make, and help providers improve their policies and practices and reduce complaints.

In January 2015 we published *Complaint handling at universities: Australasian best practice guidelines*, which was the result of a joint Australasian Ombudsman project.

KPI 5: External stakeholders are satisfied with the quality, timeliness and utility of our investigations and reporting

The Ombudsman is required by law to conduct investigations as he sees fit and is not the advocate of either a person making a complaint or the agency about which they have complained. As such, it will not always be the case that any or all parties are satisfied with how we go about our investigations or the conclusions that we reach.

In 2014–15 we received 86 service delivery complaints from complainants, compared to 83 in 2013–14.

It was also pleasing to observe the willingness of agencies to participate in and learn from our own motion investigation into agency internal complaint-handling across government.

Deliverable 3: Oversight of selected intrusive or coercive powers used by relevant entities

KPI 6: Percentage or number of inspections, audits and review conducted and reported in accordance with legislative or policy requirements

The Ombudsman is required by law to inspect the records of certain enforcement agencies in relation to their use of intrusive or covert powers.

- Interception of telecommunications, and preservation of, and access to, stored communications under the *Telecommunications (Interception and Access) Act 1979* (TIA Act)
- Use of surveillance devices under the *Surveillance Devices Act 2004* (SD Act)
- Controlled operations conducted under Part 1AB of the *Crimes Act 1914* (Crimes Act).

The Ombudsman is also required by law to conduct reviews of:

- the Australian Federal Police's (AFP) administration of Part V of the *Australian Federal Police Act 1979* (AFP Act), which deals with the management of complaints made about the conduct of AFP appointees and AFP practices issues
- Fair Work Building and Construction's use of coercive examination powers under the *Fair Work (Building Industry) Act 2012* (FWBI Act).

During 2014–15 we conducted all required statutory inspections and reviews in accordance with our legislative requirements and internal policies. This involved:

- 26 inspections under the TIA Act of Commonwealth and state and territory enforcement agencies
- nine inspections under the SD Act of Commonwealth and state and territory enforcement agencies
- five inspections under Part 1AB of the Crimes Act of Commonwealth enforcement agencies
two inspections under Part V of the AFP Act
- 10 reviews under the FWBI Act.

During 2014–15 we met all of our statutory reporting obligations and finalised:

- 20 reports under the TIA Act, provided to the Attorney-General
- two reports under the SD Act, provided to the Attorney-General
- one report under Part 1AB of the Crimes Act, provided to the Minister for Justice
- one report under Part V of the AFP Act, tabled in Parliament
- one report under the FWBI Act, tabled in Parliament.

We continued our ongoing own motion investigation to oversight the Department of Immigration and Border Protection's compliance activities involving locating, detaining and removing unlawful non-citizens.

This is important as a departmental delegate approves warrants to allow immigration officers to enter and search premises under s 251 of the Migration Act 1958 without external oversight.

We provided two reports on these activities to the department:

- s 251 warrants and removal, sent to the department in July 2014, which made three recommendations
- the observation of seven field compliance operations, sent to the department in October 2014. This report made nine recommendations.

KPI 7: Percentage or number of remedial inspection recommendations made, accepted and implemented

In our 2014–15 finalised inspection reports we made three recommendations to agencies under the TIA Act regarding their record-keeping practices. All three agencies accepted our recommendations and took, or advised of taking, remedial action in response.

These reports were provided to the Attorney-General.

KPI 8: The Ombudsman is satisfied that inspections, audits and reviews appropriately identify and report on systemic issues in public administration, and make salient, practical and useful recommendations

All inspections, audits and reviews were effective at assessing agencies' compliance under relevant legislation, and all resultant recommendations and suggestions for improvement were practical. All formal recommendations made were accepted by the relevant agencies.

Additionally, it was identified that a small number of warrants under the SD Act had been issued by a judge or Administrative Appeals Tribunal member who was not authorised to do so. We raised this issue with the Attorney-General's Department, which has advised that all agencies affected by this issue have been notified and it is committed to implementing improved administrative systems to prevent recurrences.

KPI 9: External stakeholders are satisfied with the quality, timeliness and utility of our inspections and reporting

Relevant ministers and parliamentary committees indicated that they were satisfied with the quality, timeliness and utility of our inspections and reporting. All inspections and reports were conducted in accordance with legislative timeframes.

For every inspection, each agency was provided with our preliminary inspection results at the time of the inspection to enable them to take remedial action where appropriate. The effectiveness of this was evident in agencies' responses to our draft inspection reports, where agencies advised what measures they had already implemented to address identified issues before our reports were finalised.

Similarly, some agencies sought our comments and feedback on these measures, subsequent to the inspection and before the finalisation of reports.

Deliverable 4: Contribute to public administration through presentations, speeches, reports, submissions and information guidance including best practice guides

KPI 10: Number of speeches, presentations, reports and submissions made to parliamentary, ministerial, departmental or external stakeholders

The Ombudsman presented at the following conferences and forums:

- Council of International Students Australia conference, Adelaide, 8 July 2014
- Pacific Ombudsman Alliance conference in Vanuatu, 15 July 2014
- IDP International Student Expo, Brisbane, 8 August 2014
- Australian Council for Private Education and Training conference, Fremantle, 28 August 2014
- Australian Government Leadership Network conference in Brisbane, Sydney and Adelaide from July to September 2014
- English Australia conference, Melbourne, 19 September 2014
- The Tax Institute Tasmanian state convention, Launceston, 16 October 2014
- Independent Schools Council Queensland education provider workshop, Brisbane, 5 November 2014
- Senate Occasional Lecture Series, Parliament House, Canberra, 28 November 2014
- Association of Independent Schools of South Australia education provider workshop, Adelaide, 30 January 2014
- Department of Education and Training Education Services for Overseas Students Reform consultation workshops, Canberra, 5, 17, 18 February
- Independent Schools Council Queensland education provider workshop, Brisbane, 12 February 2015
- Department of Education and Training Offshore Education Counsellors briefing, Canberra, 16 March 2015

- International Student Advisors' Network education provider forum, Sydney, 19 March 2015
- Contemporary Challenges and Solutions in Governance, Victoria University, Melbourne, 15 April 2015
- Fraud Prevention and Detection summit, Sydney, 29 April 2015
- International Student Advisors' Network education provider forum, Canberra, 16 April 2015
- National English-language Accreditation Scheme conference, Sydney, 7 May 2015
- Study NSW/Australian Council for Private Education and Training education provider workshop, Sydney, 7 May 2015

The Ombudsman made statutory annual briefings to:

- the Parliamentary Joint Committee on Law Enforcement under the *Parliamentary Joint Committee on Law Enforcement Act 2010*, regarding the involvement of the Australian Crime Commission and the AFP in controlled operations under the Crimes Act during the preceding 12 months
- the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity under the *Law Enforcement Integrity Commissioner Act 2006* regarding the involvement of the Australian Commission for Law Enforcement Integrity in controlled operations under the Crimes Act during the preceding 12 months.

The Ombudsman made submissions to the following inquiries:

- Parliamentary Joint Committee on Intelligence and Security's inquiry into the Counter-Terrorism Legislation Amendment (Foreign Fighters) Bill 2014
- Senate Education and Employment References Committee inquiry into the operation, regulation and funding of private vocational education and training providers in Australia
- Parliamentary Joint Committee on Intelligence and Security inquiry into the Australian Citizenship Amendment (Allegiance to Australia) Bill 2015.

- Parliamentary Joint Committee on Intelligence and Security's inquiry into the Telecommunications (Interception and Access) Amendment (Data Retention) Bill 2014.

The Ombudsman also made submissions to the following departments and stakeholders:

- Department of Immigration and Border Protection's Future directions for streamlined visa processing discussion paper
- Department of Education and Training's Education Services for Overseas Students (ESOS) reforms discussion paper
- Productivity Commission's Barriers to services exports study
- Productivity Commission's International education services research project.

The Ombudsman also provided input to the following government consultations:

- Department of Social Services' consultation on the Proposal for a National Disability Insurance Scheme quality and safeguarding framework
- Department of Human Services' consultation on its revised Centrepay policy and procedures.

Deliverable 5: Contribute to the effective oversight of the Commonwealth public interest disclosure scheme

KPI 11: Percentage or number of remedial recommendations made, accepted and implemented

In 2014–15 we received 53 complaints related to the handling of a public interest disclosure by an agency.

We made comments or suggestions in relation to two complaints that we investigated where we considered shortcomings had been identified or there was scope for agencies to improve their administrative practices. These shortcomings have been acknowledged by the agencies concerned and steps taken to remedy the matters identified.

In the course of handling more than 180 enquiries from agencies and individuals, and meeting with more than 15 agencies, we made recommendations in relation to the implementation of the PID scheme, including reviewing guidance material and agency processes. This advice was accepted and acted upon.

KPI 12: The Ombudsman's Annual Report on the operation of the *Public Interest Disclosure Act 2013* is completed on time and in accordance with legislative requirements

The *Public Interest Disclosure Act 2013* requires the Ombudsman to report on the operation of the Act and to include statements required by s 76(2) of the Act. The Ombudsman's Annual Report includes the required information, which is based on the records held by this office, in relation to enquiries, complaints and notifications; information exchanged and collected from agencies during the course of outreach activities and training sessions; data received from agencies surveyed for the purposes of preparing the Annual Report; and public interest disclosures made to the Ombudsman.

KPI 13: The Ombudsman is satisfied that our oversight of the Commonwealth public interest disclosure scheme is appropriate and effective

As part of our internal audit processes we commissioned a review by Ernst and Young of our statutory monitoring and oversight role under the Act. Responses to surveys sent to key agencies indicated a high level of satisfaction with the services being provided by us. The review recommended a number of internal actions and procedures designed to enhance our delivery of the function, and expressed an overall assessment that the office was carrying out its functions well.

KPI 14: External stakeholders are satisfied with the quality, timeliness and utility of our speeches, reports and submissions

Department of Prime Minister and Cabinet, the policy owner of the legislation; the Inspector-General of Security and Intelligence (IGIS); and agencies covered by the PID Act have expressed high levels of satisfaction through formal and informal communications with the office, as well as responses to surveys following outreach

events, and the internal audit process undertaken by external consultants.

Bodies in the state and territory jurisdictions which have oversight responsibilities for public interest disclosure schemes have committed to working with us to increase the understanding and measure the effectiveness of the schemes within Australia. Agencies have incorporated content from our speeches and presentations into their internal training material.

KPI 15: The Ombudsman is satisfied that our speeches, presentations, reports and submissions appropriately identify and report on systemic issues in public administration, and make salient, practical and useful recommendations

The Ombudsman has been formally consulted by the Department of Prime Minister and Cabinet, IGIS and the Australian Public Service Commission in relation to issues papers, submissions and guidance material relating to the PID scheme. Our comments have been incorporated into submissions, guidance and training material.

Deliverable 6: Targeted stakeholder engagement through the provision of information and education regarding the role of the office

KPI 16: Number of stakeholder engagement activities completed

We conducted more than 80 presentations, courses, roundtable meetings, briefings, outreach activities, workshops and forums with and for stakeholders during the reporting year.

KPI 17: Percentage or number of engagement activities that target priority stakeholders

Half of our inspection and law enforcement activities were with targeted priority stakeholders. The other 50 per cent of activities were in response to requests for assistance made by other agencies.

All immigration and overseas student engagement activities targeted priority stakeholders including industry peak bodies, international students and private providers. All PID and social services-related activities targeted priority stakeholders.

KPI 18: External stakeholders are satisfied with the OCO's engagement activities

All stakeholders expressed satisfaction and gratitude for our engagement, participation and/or assistance.

Deliverable 7: implement improvements to our business operations**KPI 19: Number of learning and development courses offered and number of staff attendances per year**

During the financial year 33 training sessions were held, with 409 employees attending. Further information is provided on page 26.

KPI 20: Percentage or number of internal policies, practices and processes updated and refined

In 2013–14 a comprehensive review was undertaken of our Work Practices Manual for complaint management. Two updates were made to the manual to take account, for example, of the transfer of management of complaints about the Australian Taxation Office to the Inspector-General of Taxation.

During 2014–15 we reviewed and documented our internal procedures relating to our public interest disclosure oversight functions.

We also reviewed and updated a number of key corporate policies including financial delegations, accountable authority instructions, travel and hospitality guidelines, petty cash guidelines, procurement policies, risk oversight and management policy, the security policy and the security plan. The office also developed a project management framework.

It is standard practice that all inspection and review methodologies are reviewed on a six-monthly basis, and processes are updated and refined to reflect:

- changes in legislation
- reassessment of risks associated with non-compliance
- changes to agency and industry practices.

We updated our compliance methodology used to monitor the use of intrusive powers under the Migration Act and the conduct of field compliance operations.

KPI 21: Number of reportable financial breaches

As part of the compliance assurance process to support the preparation of our 2014–15 Compliance Report, we identified 61 instances of non-compliance with the Public Governance, Performance and Accountability Framework. The non-compliance issues mainly related to the approval of commitments and reporting of contracts on AusTender.

To improve procurement compliance in 2015–16 we have initiated a staff-awareness strategy. We will also review and simplify internal procurement guidance, initiate procurement systems improvements and centralised monitoring, and develop and deliver a procurement training program to staff.

KPI 22: Staff are satisfied with operational practices

This year the APS State of the Service employee survey scores reflect positive results against the areas of job, team and agency engagement. These scores improved further on the 2013 and 2014 results and indicate a positive outcome in relation to employee satisfaction levels with the work environment, including operational practices.

SENIOR LEADERSHIP GROUP

The Commonwealth Ombudsman, Mr Colin Neave AM, was appointed on 17 September 2012 for a period of five years to 16 September 2017.

The Deputy Ombudsman, Mr Richard Glenn, was appointed on 2 September 2013 for a period of five years to 1 September 2018.

The remuneration for the Ombudsman and Deputy Ombudsman is set by a Determination made by the Remuneration Tribunal. See the financial statements (Appendix 5) for further details.

Senior Assistant Ombudsmen and their areas of responsibility are:

- Helen Fleming, Operations Branch
- Doris Gibb, Immigration and Overseas Students Branch
- Lynette MacLean, Corporate Services Branch
- George Masri, Social Services, Indigenous and Public Interest Disclosure Branch
- Rodney Lee Walsh, Justice, Finance and Territories Branch.

CORPORATE GOVERNANCE

Our 2013–15 Strategic Framework framed our strategic objectives for the period and our 2014–15 Annual Corporate Plan set out our key business priorities for this reporting period. The Strategic Framework was developed following a major restructure and planning process implemented in 2012–13.

The plans reflect our organisational structure and re-engineered work practices, which enable us to better focus on systemic issues, key stakeholder engagement, and the cooperative development with government entities of proactive strategies to promote better complaints resolutions.

Consistent with the requirements of Enhanced Commonwealth Performance Framework, we have developed our 2015–16 Corporate Plan. The plan frames our strategic vision, objectives, deliverables and key performance measures for the next four years.

We also envisage ongoing changes to our governance arrangements during 2015–16, as we further refine our organisational arrangements and implement the functional changes announced by the Government in the 2014–15 and 2015–16 Budgets.

Audit Committee

We have established an Audit Committee as required by the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*. Its role is to provide independent assurance to the Ombudsman on our financial and performance reporting responsibilities, risk oversight, and management and systems of internal control.

The committee met four times and comprised the following membership during the reporting period:

Table 2 Audit Committee Members

NAME	POSITION	PERIOD OF MEMBERSHIP DURING YEAR
Peter Hoefler	Chair, independent	1 July 2014 to 30 June 2015
Richard Glenn	Deputy Chair, Deputy Ombudsman	1 July 2014 to 30 June 2015
Rodney Lee Walsh	Member, management representative	1 July 2014 to 31 December 2014
George Masri	Member, management representative	1 January 2015 to 30 June 2015
Joanna Stone	Member, independent	1 January 2015 to 30 June 2015

Regular observers at committee meetings included representatives from the Australian National Audit Office, Ernst and Young (the office's internal auditors), the Chief Operating Officer and the Chief Financial Officer.

Senior Leadership Group

The group comprises the Ombudsman, Deputy Ombudsman and Senior Assistant Ombudsmen. It meets monthly to discuss strategic and operational issues relating to the work of the office.

Management committees

Management committees assist the Ombudsman and Senior Leadership Group with decision making in key areas. The committees make recommendations to the group.

People Committee

The People Committee is chaired by the Deputy Ombudsman and comprises the Chief Operating Officer; the Senior Assistant Ombudsman, Social Services, Indigenous and Public Interest Disclosure Branch; the Senior Assistant Ombudsman, Immigration and Overseas Student Branch; the Manager, Human Resources; and representatives from each branch.

It was established to guide and advise on matters relating to the Commonwealth Ombudsman's People Plan and subsequent priorities, with the aim of ensuring the office has a capable and adaptive workforce to enable it to respond to current and future business needs.

The committee meets as required, with the key focus this year being the development of the office's Workforce Plan 2015–2019.

Work Health and Safety Committee

The office's Work Health and Safety Committee is made up of elected staff representatives from each of our state and Canberra offices, and is chaired by the Senior Assistant Ombudsman, Immigration and Overseas Students Branch. It meets quarterly.

It has a strategic role in reviewing work health and safety matters and procedures to ensure we comply with the terms of the *Work Health and Safety Act 2011*. A key focus this year was the development of the WHS risk register.

Workplace Relations Committee

The Chief Operating Officer chairs the Workplace Relations Committee. It comprises employee, management and union representatives and is the principle forum for regular exchange on change and workplace issues.

Business Improvement Steering Committee

The committee was established to facilitate business improvements within the office to ensure our business is conducted as effectively and efficiently as possible, and in a manner that furthers the office's strategic objectives and maintains its viability and reputation.

The Deputy Ombudsman chairs the committee.

Information Management Committee

The Deputy Ombudsman chairs the Information Management Committee. It provides strategic oversight and guidance in developing and implementing information management policy, processes and systems; and to examine information management issues impacting on the office.

Risk and Security Governance Committee

The Risk and Security Governance Committee was established in 2014–15 to provide guidance and advice on operational risk and security governance matters for the office.

Directors from across the office comprise the committee, with the Chief Operating Officer as chair.

Corporate governance practices

Risk

Our risk-management framework comprises a formal policy and protocol, a strategic risk plan and register, along with quarterly monitoring and reporting.

The Senior Leadership Group regularly reviews strategic risks as part of the business-planning process. The office also participates in the annual Comcover Risk Management Benchmarking Survey, which independently assesses the office's risk-management arrangements.

Additional oversight of our risk management is provided by the Audit Committee and the Risk and Security Governance Committee.

Fraud prevention and control

In November 2013 we reviewed and updated our Fraud Control Plan and fraud risk assessment. As part of this process we also reviewed the internal controls that mitigate the known risks of fraud.

All controls were identified as working adequately with recommendations to improve in some low-risk areas. Recommendations have all been progressed and our residual risk of fraud remains low.

The Audit Committee oversees the implementation and monitoring of the Fraud Control Plan.

During the reporting period, fraud-awareness training was delivered to staff and a fraud-awareness training module for credit card holders was released on the intranet.

Business continuity planning

Our Business Continuity Plan is one of our key risk-management strategies. It sets out our strategies for ensuring that the most critical work of the office can continue to be done or quickly resumed in the event of a disaster.

We reviewed the plan in 2014–15 and also successfully tested our associated Disaster Recovery Plan. The review and testing assured us that the office has the capacity to maintain its critical business requirements and continuing ability to function following a disruption.

Ethical standards

The office promotes ethical standards and behaviours by providing extensive information to staff, and promoting the Australian Public Service Commission's Ethics Advisory Service and our Ethics Contact Officer. Our intranet contains information on:

- APS Values and Code of Conduct
- workplace discrimination, bullying and harassment
- acceptance of gifts and hospitality
- procedures for determining breaches of the Code of Conduct
- procedures for facilitating and dealing with public interest disclosures relating to the office.

The induction handbook for new starters provides appropriate information for new starters on ethical standards and behaviours.

Certification of Fraud Control Arrangements

I certify that the Office of the Commonwealth Ombudsman (the Office) has:

- prepared fraud risk assessments and fraud control plans;
- appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of the Office; and
- taken all reasonable measures to minimise the incidence of fraud in the Office and to investigate and recover the proceeds of fraud against the Office.



Colin Neave
Commonwealth Ombudsman
7 October 2015

Accessibility

In developing and maintaining the office's websites, we use the World Wide Web Consortium Web Content Accessibility Guidelines 2.0 as the benchmark.

In 2014–15 we began implementing a substantial upgrade of our online services, content and compliance with Web Content Accessibility Guidelines 2.0 (AA level). During the reporting period we have improved the compliance of online documents and initiated the process of upgrading the infrastructure that supports our online presence.

The infrastructure upgrade will include web authoring and tools to ensure compliance against accessibility standards. Regular auditing of the websites using automated tools will also identify compliance issues and report continual improvement.

ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

Section 516A of the *Environment Protection and Biodiversity Act 1999* sets out the principles and framework for the office to report on environmental matters. We also have an environmental-management policy to help us manage activities in an environmentally sustainable manner.

Our environmental impact is mainly through office-based energy consumption, paper resources and waste management.

Energy consumption

During the year the office reduced its energy consumption by 6%. This was for both total megajoules consumed and megajoules consumed per person.

Paper resources

The office manages electronic database and records-management systems to reduce paper records and photocopier usage.

During the year we implemented the Information and Records Management (IRM) work program to update the IRM to better facilitate business needs, compliance with legislation and the Government Digital Transition Policy.

One of the project areas of the program involves further steps to ensure we engage in predominantly digital record keeping and e-business practices to reduce paper files.

Our paper supplies are either manufactured from at least 50% recycled products or carbon neutral. Other office materials such as files are recycled within the office to reduce procurement activity for stationery.

Waste management

We actively manage the waste we produce through several mechanisms:

- Recycling bins are provided in all offices to encourage recycling of waste such as paper and cardboard packaging.
- Toner cartridges are recycled.
- Kitchen waste such as plastic bottles and cans are recycled via special bins provided in breakout areas.

EXTERNAL SCRUTINY

Court and tribunal litigation

No decisions of courts or administrative tribunals made in 2014–15 had, or may have, a significant impact on the operations of this office.

Office of the Australian Information Commissioner

During the reporting period the Australian Information Commissioner advised this office of five matters where the applicant sought review of our decisions under the *Freedom of Information Act 1982* (the FOI Act). The Information Commissioner closed four of these cases under s 45W(a) of the FOI Act. In one matter, the Information Commissioner affirmed the Ombudsman's decision under review.

We received one decision from the Information Commissioner in relation to a review that commenced in 2013–14. In this matter, the Information Commissioner confirmed the Ombudsman's decision under review.

The office is subject to the *Privacy Act 1988*. The Privacy Commissioner did not issue any report or make any adverse comment about the office during the past year.

Australian Human Rights Commission

The office is subject to the jurisdiction of the Australian Human Rights Commission. During the reporting period the commission decided to terminate a complaint which it received about this office in 2013–14.

The commission terminated the complaint on the grounds that there was no reasonable prospect of the matter being settled by conciliation. The commission did not receive any new complaints about this office in 2014–15.

PEOPLE MANAGEMENT

Overview

The Commonwealth Ombudsman Strategic Framework 2013–15 sets out the office's strategic goals and objectives. To achieve our goals it is essential that we have a capable and adaptive workforce. To have a capable and adaptive workforce we must ensure that the right people are attracted, retained, developed and motivated.

Our People Plan 2014–17 includes a range of strategies under three key areas:

- attract
- develop and motivate
- retain
- align.

The People Plan is reviewed regularly to ensure it reflects the people priorities for the office. One of the key initiatives achieved under the People Plan was the development of our Strategic Workforce Plan 2015–2019.

We also launched our Workplace Diversity Program 2015–18 which is complemented by our Multicultural Plan 2013–15, Reconciliation Action Plan 2013–15 and the As One – Australian Public Service (APS) Disability Employment Strategy.

Staffing profile

Including the Ombudsman and Deputy Ombudsman, the full-time equivalent number of employees as at 30 June 2015 was 138.8.

Table 3 shows the actual number of employees by gender, APS classification, employment status and salary range. Table 4 shows the staffing profile by location. Tables 5 and 6 show the part-time employee profile by location and classification.

During the year, five employees were engaged on an ongoing basis and 19 ongoing employees left the office, equating to a turnover rate of 14% (compared to 8% the previous year). There were 27 separations, including ongoing and non-ongoing employees. Table 7 shows staff separations by classification at 30 June 2015.

Table 3 Staffing profile by gender, APS classification and salary range at 30 June 2015 (2014)

APS CLASSIFICATION AND SALARY RANGE	MEN AS AT 30 JUNE 2015 (2014)		WOMEN AS AT 30 JUNE 2015 (2014)		TOTAL			
					ONGOING		NON-ONGOING	
	ONGOING	NON-ONGOING	ONGOING	NON-ONGOING	AS AT 30 JUNE 2014	AS AT 30 JUNE 2015	AS AT 30 JUNE 2014	AS AT 30 JUNE 2015
APS1 \$43,283 – \$47,841	- (-)	- (-)	- (-)	- (-)	-	-	-	-
APS2 \$48,985 – \$54,321	- (-)	- (-)	- (-)	- (-)	-	-	-	-
APS3 \$55,796 – \$60,222	- (3)	1 (1)	10 (4)	3 (5)	7	10	6	4
APS4 \$62,186 – \$67,518	6 (6)	1 (1)	13 (14)	3 (2)	20	19	3	4
APS5 \$69,359 – \$73,547	7 (9)	1 (-)	12 (12)	- (2)	21	19	2	1
APS6 \$74,914 – \$86,053	9 (10)	1 (-)	19 (20)	- (-)	30	28	-	1
EL1 \$96,035 – \$103,702	19 (18)	- (-)	19 (22)	1 (-)	40	38	-	1
EL2 \$111,820 – \$126,743	3 (7)	2 (1)	13 (12)	- (-)	19	16	1	2
SES \$145,000 – \$185,400	2 (2)	- (-)	2 (3)	- (-)	5	4	-	-
Statutory officers	2 (2)	- (-)	1 (-)	- (-)	2	3	-	-
TOTAL	48 (57)	6 (3)	89 (87)	7 (9)	144	137	12	13

Notes:

- Under the Enterprise Agreement 2011-2014, employees moving to the office from a higher salary range may be maintained at that salary until increments in our salary range exceed the salary differential.
- 'EL' is 'Executive Level'.
- Number of statutory officers reflects an SES employee acting as Deputy Ombudsman as at 30 June 2015.

Table 4 Staffing profile by location at 30 June 2015 (2014)

LOCATION	MEN	WOMEN	TOTAL
ACT	36 (42)	55 (59)	91 (101)
NSW	4 (2)	4 (6)	8 (8)
QLD	3 (3)	10 (10)	13 (13)
SA	4 (5)	16 (9)	20 (14)
VIC	5 (6)	9 (10)	14 (16)
WA	2 (2)	2 (2)	4 (4)
TOTAL	54 (60)	96 (96)	150 (156)

Table 5 Staffing profile showing part-time employees by location at 30 June 2015 (2014)

LOCATION	MEN	WOMEN	TOTAL
ACT	7 (8)	14 (14)	21 (22)
NSW	- (-)	- (1)	- (1)
QLD	1 (1)	3 (5)	4 (6)
SA	- (1)	5 (4)	5 (5)
VIC	1 (-)	5 (6)	6 (6)
WA	- (-)	- (-)	- (-)
TOTAL	9 (10)	27 (30)	36 (40)

Table 6 Staffing profile showing part-time employees by classification at 30 June 2015 (2014)

APS CLASSIFICATION	MEN	WOMEN	TOTAL
APS1	- (-)	- (-)	- (-)
APS2	- (-)	- (-)	- (-)
APS3	1 (1)	4 (3)	5 (4)
APS4	1 (2)	3 (4)	4 (6)
APS5	1 (-)	6 (7)	7 (7)
APS6	2 (2)	6 (5)	8 (7)
EL1	3 (4)	7 (9)	10 (13)
EL2	1 (1)	1 (2)	2 (3)
SES	- (-)	- (-)	- (-)
TOTAL	9 (10)	27 (30)	36 (40)

Table 7 Staffing profile showing staff separations by classification at 30 June 2015 (2014)

APS CLASSIFICATION	ONGOING	NON-ONGOING	TOTAL
APS1	- (-)	- (-)	- (-)
APS2	- (-)	- (-)	- (-)
APS3	1 (-)	4 (2)	5 (2)
APS4	- (3)	2 (3)	2 (6)
APS5	4 (-)	2 (1)	6 (1)
APS6	5 (1)	- (3)	5 (4)
EL1	4 (4)	- (3)	4 (7)
EL2	5 (3)	- (1)	5 (4)
SES	- (-)	- (-)	- (-)
Statutory officers	- (-)	- (-)	- (-)
TOTAL	19 (11)	8 (13)	27 (24)

Workplace relations

The office's Enterprise Agreement 2011–14 came into effect on 27 July 2011 and reached its nominal expiry date on 30 June 2014.

A total of 143 employees are covered under the Enterprise Agreement. Conditions are provided for five SES staff under s24 (1) of the *Public Service Act 1999*. Five employees have an Individual Flexibility Agreement in place. No staff were employed under Australian Workplace Agreements or common law contracts.

The agreement does not make provision for performance pay. Salary advancement within each of the non-SES classifications is linked to performance. Determinations under s 24 (1) of the Public Service Act provide for SES annual salary advancement based on performance and do not make provision for performance pay.

Learning and development

This year we continued to deliver training against the core competencies established under the Learning and Development Strategy 2013 – 2016, and other priority areas identified through mechanisms such as the State of the Service Employee Census results. The training delivered included:

- Dealing with difficult complainants
- Privacy refresher training for frontline staff
- Dealing with change
- Becoming a mentor/mentoree
- Correspondence and report writing
- Working with interpreters
- Protective security
- Mental health first aid
- General investigations and advanced investigations.

We have also purchased subscriptions to APS LearnHub and Lynda.com through the Shared Services Centre. These interactive learning solutions will enable us to deliver a broad range of targeted e-Learning programs to all staff on their desktop.

The office also supports staff to undertake relevant study at tertiary institutions through study leave and/or financial assistance.

Work health and safety

We are committed to taking all practicable measures to maintain a safe and healthy workplace for all our employees, contractors and visitors. We acknowledge our employer responsibilities under the *Work Health and Safety Act 2011* (WHS Act), the *Rehabilitation and Compensation Act 1988* and anti-discrimination legislation.

Key achievements during the reporting period include the development of a Work Health and Safety Risk Register, Rehabilitation Management System Policy and the review of the Work Health and Safety Policy.

During 2014–15 we undertook the following health and safety initiatives:

- arranged health assessments, where necessary
- conducted individual workplace assessments
- made available first aid facilities and supplies, and provided first aid training to First Aid Officers (refresher and senior first aid for new officers)
- provided workplace health and safety training to WHSOs and Deputy WHSOs
- targeted individual health awareness by providing flu vaccinations to employees free of charge, a healthy lifestyle reimbursement of up to \$299 per year and provision of mental health first aid training
- conducted work health and safety hazard inspections in all offices
- two employees from the Human Resource team attended the 'WHS in a Day' training delivered by Comcare
- arranged for a further two Canberra-based employees to undertake training for the role of Workplace Harassment Contact Officers.

During the reporting period no accidents or injuries occurred that are reportable under s 38 (5) of the WHS Act. There were no investigations conducted within the office under Part 10 of the Act.

All new employees are advised of the importance and responsibilities of staff and management in relation to health and safety in the workplace through the induction process. New employees undertake a workstation assessment during their first week in the office. Employees who work from home complete a form to assess the need for workplace inspections.

To promote a supportive working environment the office provides staff and their immediate families with access to an employee assistance program, which offers a confidential counselling service, facilitation of teamwork issues, career advice and the management of work-related or personal issues.

Changes to disability reporting in annual reports

Since 1994 Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007-08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au.

From 2010-11, departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010-2020. A two-yearly report will track progress against each of the six outcome areas of the strategy. The first of these reports was available in late 2014, and is available at www.dss.gov.au.

Agency Multicultural Plan

This year the office acquired responsibilities under the Commonwealth Multicultural Access and Equity Policy, *Respecting diversity*.

In April 2013 we began preparing an Agency Multicultural Plan (AMP) to address our multicultural access and equity obligations to members of the Australian community from culturally and linguistically diverse (CALD) backgrounds. The plan covers the period 2013-15. We began implementing our finalised AMP from 1 July 2013.

We engaged with the Federation of Ethnic Communities' Councils of Australia (FECCA), which told us that two common themes in adverse CALD encounters with government were language difficulties and the use of the Telephone Interpreting Service (TIS).

To address these issues, this year we reviewed and updated the currency of our information for staff and complainants about the use of interpreters, including an easy step-by-step 'how-to' guide for staff and information on how to access the Automated Translation and Interpreting Service to obtain an interpreter in high-demand languages.

To support staff to adopt and implement these changes, we made available a range of training courses including working with interpreters, working cross-culturally, and diversity and cultural awareness.

FINANCIAL MANAGEMENT

Financial performance

The office recorded a marginal operating deficit of \$0.002 million (excluding depreciation and amortisation) in 2014-15 (2013-14: operating surplus \$0.038 million).

Expenses

Total expenses increased from \$20.810 million in 2013-14 to \$21.735 million in 2014-15. The increase was mainly driven by employee separation and redundancy costs of \$1.002 million. This was associated with organisational re-profiling and restructuring undertaken during the year.

Income

Appropriation revenue increased by \$0.370 million compared to 2013-14. This was mainly due to additional funding received from the Government for restructuring (\$0.673 million), offset by increases to the Efficiency Dividend and other efficiency measures.

Sale of goods and rendering of services revenue increased by \$0.548 million. This was primarily due to increased activity in the International program, funded by the Department of Foreign Affairs and Trade.

FINANCIAL POSITION

Assets

Total assets increased by \$0.618 million, comprising:

- an increase in cash held (\$0.504 million) due to cash held for the payment of salaries on 1 July 2015
- acquisition of assets (\$0.877 million), offset by
 - » depreciation and amortisation (\$0.697 million)

The office acquired \$0.877 million in new assets in 2014–15, funded through the Departmental Capital Budget. This included the replacement of ICT infrastructure, purchase of new software and enhancements to core existing ICT systems.

Liabilities

Total liabilities increased \$0.582 million, which was mainly due to increased payables (\$0.673 million) principally associated with salaries accrued for payment on 1 July 2015.

Purchasing

The office is committed to achieving the best value for money in procurement activity and manages it using procurement practices that are consistent with the Commonwealth Procurement Rules. The practices are supported by the Accountable Authority Instructions and specific procurement policies and templates provided to all staff on the intranet.

To improve efficiency in procurement the office accesses established procurement panels where possible. These procurement methods aim not to discriminate against small and medium-sized enterprises.

Procurement plans are published on AusTender as they become known to facilitate early procurement planning and to draw attention to our planned activity.

Consultants

The office engages consultancy services in circumstances when particular expertise is not available internally or when independent advice is required.

During 2014–15 six new consultancy contracts were entered into, involving total actual expenditure of \$0.179 million (including GST). In addition, three ongoing consultancy contracts were active during the 2014–15 year, with total expenditure of \$0.141 million.

Table 8 Expenditure on consultancy contracts 2012–13 to 2014–15

YEAR	NUMBER OF CONSULTANCY CONTRACTS	TOTAL ACTUAL EXPENDITURE \$'000
2014–15	9	321
2013–14	13	163
2012–13	11	222

No contracts were let containing provisions that do not allow the Auditor-General to have access to the contractor's premises, and no contracts were entered into that were exempt from being published on AusTender.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website at www.tenders.gov.au.

The office does not administer any grant programs.

WHAT WE DO

Most of the complaints and approaches we received about Australian Government agencies in our jurisdiction related to the following four agencies:

- The Department of Human Services (Centrelink, Medicare and Child Support)
- Australia Post
- The Department of Immigration and Border Protection
- The Australian Taxation Office.

This section discusses our work with those four agencies, as well as the specialist roles we perform, including the:

- Defence Force Ombudsman
- Overseas Students Ombudsman
- Law Enforcement Ombudsman
- inspection functions
- Public Interest Disclosure scheme
- international program.

SOCIAL SERVICES PORTFOLIO

While most complaints to our office are about the actions and decisions of a single Government agency, many of the underlying systemic issues are in fact the responsibility of more than one agency.

In the Social Services portfolio, there are several key agencies that variously deliver, or set policy for the administration and delivery of, payments and services to the Australian community. In some instances an agency will perform both a policy and delivery role.

A number of Social Service agencies are discussed in detail in this section:

- the Department of Human Services, which delivers the Australian Government's Centrelink, Child Support and Medicare programs
- the Department of Employment, which has policy responsibility for the delivery of job services programs to people who are required to look for work in order to receive income support payments, as well as those who elect to access job services on a voluntary basis

- the Department of Social Services, which has policy responsibility for (among other things) social security and family assistance payments, child support, housing, child care and disability. It also directly administers a small number of programs directly to the public
- the National Disability Insurance Agency, which has responsibility for administering the National Disability Insurance Scheme.

DEPARTMENT OF HUMAN SERVICES

In 2014–15 we received 8116 complaints about DHS programs. This represents a 21.5% increase against the 6682 complaints we received in 2013–14, largely as a result of the 26.5% increase in the number of Centrelink complaints.

Complaints about the Centrelink program made up 77.4% of complaints about DHS, followed by 18.1% about the Child Support program. Of the remaining complaints, most were about Medicare and the early release of superannuation benefits programs.

DHS – CENTRELINK

Centrelink delivers social security and family assistance payments, plus a range of other payments and services to people in the Australian community, and some people overseas.

Complaints about Centrelink (and its predecessors) have always represented a substantial proportion of the complaints to this office. Although we receive more complaints about Centrelink than any other Commonwealth program or agency, we recognise that this is largely tied to the size and complexity of its service-delivery responsibilities.

In 2013–14 DHS paid out \$159.2 billion to customers in respect of programs across the Australian Government and 'touched the lives of around 99 per cent of Australians' through the delivery of payments and services.¹ It is inevitable that errors and delays will occur in an operation of this scale. However, the potential for these errors to impact on the lives of a significant number

¹ Department of Human Services' Annual Report 2013–14, page 2

of Australians means it is important to minimise these mistakes and their effect as much as possible.

Statistics

In 2014–15 we received 6280 complaints about Centrelink, an increase of 26.5% on the 4966 we received in 2013–14. This increase follows two years of reduced complaints about Centrelink. While it reflects a greater number of complaints across the board, there has been a particular increase in complaints about difficulties accessing DHS services and its own phone and online complaints mechanisms. These issues are discussed in greater detail below under *Implementation of recommendations in Centrelink Service Delivery report*.

During 2014–15 we investigated 8.7% of all finalised Centrelink complaints compared to the 10.7% we investigated during 2013–14.

This reduction is largely explained by two factors; namely, an increase in the number of referrals to the DHS Feedback and Complaints service where a complainant has not already accessed it, and 'warm transfers' to DHS's internal complaint service for resolution where a complainant is vulnerable or requires assistance to communicate their complaint.

This 'warm transfer' process allows DHS the opportunity to resolve the complainant's concerns in the first instance without the need for investigation by our office. At the time of transfer the complainant is invited to contact the Ombudsman again if they are dissatisfied or do not hear from Centrelink within the agreed timeframe.

Significant issues

Implementation of recommendations in Centrelink Service Delivery report

In April 2014 we published an own motion report concerning service delivery complaints about the Centrelink program. There were 33 sub-recommendations made about 12 areas of Centrelink's administrative practices, ranging from call wait times on its phone lines to the accessibility of its internal complaint-handling processes.

In March 2015 we commenced an own motion investigation to assess the work DHS had done to implement those recommendations. We published

a further report detailing the status of the recommendations in September 2015. Details of that report will be discussed in next year's annual report.

We will continue to engage with DHS into 2015-16 as it works to further improve its service delivery and overcome the remaining service barriers and challenges affecting its customers.

Implementation of changes to residential aged care fee assessments

From 1 July 2014, as part of ongoing reforms to the aged care system, the arrangements for calculating residential aged care fees changed, with DHS taking over responsibility from DSS for assessing those fees.

In late 2014 we received a cluster of complaints about delays in processing of fee assessment applications. People also complained about fee assessments that were affected by errors and instances where people were sent multiple but contradictory assessment letters. The impacts of these issues varied.

Some people were advised by the aged care facility that they were unable to secure a permanent place until they had received notification of an aged care assessment determination, while some were charged higher respite care fees until they received their assessment. Others paid a much higher fee to the provider than they were ultimately assessed to pay in their corrected assessment.

Many complainants raised concerns that the higher fees depleted their funds, forcing some to make hard decisions about as whether their loved one could remain in the aged care facility. They also complained about out-of-pocket expenses incurred from juggling finances while trying to meet the higher fees, pending receipt of a corrected assessment notification and subsequent reconciliation process with the aged care facility.

Overpaid fees meant people needed to negotiate a refund with the provider, sometimes encountering resistance because providers were not prepared to review their fees until they had received advice from DHS of the possible refund amount.

Our investigations, and information provided at DHS briefings, highlighted issues with the quality and timeliness of the fee assessments and with the transfer of

data relevant to the assessment. Both DHS and DVA have been affected by system issues.

DHS became aware of the issues shortly after implementation and applied a manual quality-checking process for every automated assessment letter it produced, replacing incorrect letters with manual letters.

At the time a lack of established communication protocols between DHS and DVA also added to the delay in resolving complaints and led to customers' frustration as they 'bounced' between departments. Multiple aged care phone lines maintained by all three departments (DHS, DVA and DSS) further complicated complaint resolution.

Our office met with DHS several times, and with DVA, to discuss the complaint issues. Those discussions centred on the errors made, the fixes they had applied and the strategies DHS and DVA had put in place to rectify the communication barriers and establish interdepartmental complaint-handling processes.

We have continued to receive complaints that seem to be about difficulties in the transfer of data from DVA to DHS and vice versa, but note that these appear to relate to issues that existed prior to the system fixes that were

implemented by DHS up to and including March 2015. We have written to the departments about the issues identified in the complaints to this office.

We intend to remain in discussions with DHS and DVA to ensure that both departments have resolved the issues with data transfer and resultant assessments. We have encouraged both departments to actively consider whether any of its customers were financially disadvantaged by an incorrect assessment or a delay in issuing an assessment.

We suggested that the departments invite any customers in that position to make a claim under the Compensation for the Detriment caused by Defective Administration (CDDA) scheme. DHS has agreed to include information about the CDDA scheme in its letters to affected customers. We also suggested that a comprehensive review into the multiple causes of the problems be undertaken so as to ensure they do not occur again in respect of this program or others.

DHS has confirmed review processes were undertaken and that this information will be used to feed into future changes. It has also committed to continue to engage with this office to support future change processes.

Mrs A complained there had been several errors in the calculation of the aged care fee for her mother, Mrs B. Mrs B received a DVA payment and entered permanent care in June 2014. DVA transmitted Mrs B's income and asset information to DHS in August 2014. However, Mrs B's record had been duplicated in DHS's system and DVA's data was attached to the wrong record. DHS's system wrongly determined that Mrs B's details had not been received and assessed her as liable to pay a high level of fees.

Mrs A contacted DHS three times in late 2014 and each time she was informed she would need to speak to DVA. In January 2015 DHS identified the DVA data had been attached to the wrong record and recalculated Mrs B's fees. DHS determined that she was entitled to a refund from the provider of almost \$17,000 for overpaid fees. DHS attempted to permanently correct the error, but in April 2015 it realised it had not received further data from DVA. In May 2015 DHS corrected Mrs B's record again and determined she was owed a further \$6,700 in overpaid fees.

After being contacted by our office DHS examined Mrs B's record once more, DHS contacted DVA to confirm the correct record identification number was noted on the DVA record. At this time it identified that DVA still had the duplicate record on its system. DVA corrected the error, following which DHS contacted Mrs A to explain the events and apologise. DHS also wrote to the provider to explain the refunds that were owed to Mrs B. Our office informed Mrs A about the CDDA scheme.

Interaction between child support and Family Tax Benefit

Over the past year we have received many complaints from people who have incurred Family Tax Benefit (FTB) debts as a result of retrospective changes to their child support assessment. We consider that these complaints highlight the importance of the Centrelink and Child Support programs ensuring their respective letters alert FTB recipients to the potential for FTB debts if they elect to collect their child support entitlement directly from the paying parent, rather than having DHS collect the amount for them. We continue to discuss these issues with DHS and the policy department, the Department of Social Services.

Restricted servicing arrangements for certain DHS customers

Our last two Annual Reports mentioned the arrangements DHS has available to impose service restrictions on some customers to manage the way they interact with DHS. We are satisfied that in many cases this is a sensible practice, which aims to protect staff and other customers from risks presented by physical or verbal abuse.

However, we continue to receive complaints, albeit at a reduced rate, from DHS customers who are unhappy that their access to DHS services has been limited.

Our investigations of these matters indicate that DHS generally manages these cases well.

However, we consider that some areas of DHS's administration of these arrangements could be improved. For example, recent complaints indicate that staff do not always clearly communicate the reasons and terms of the restrictions to customers, or record these in detail on DHS's records.

Major activities

In addition to the remedies we have obtained for individuals via investigation of their complaints, our major outcomes related to the Centrelink program include:

- the ongoing application of our 'warm transfer' arrangements to refer certain complaints to DHS's internal complaint service for prompt resolution
- roundtable meetings with community groups in Perth and Melbourne to discuss their experience of Centrelink's service delivery

Mr B complained to our office on behalf of his wife, Mrs B, about DHS's decision to issue her with a letter of warning for inappropriate behaviour that took place when she attended a customer service centre. Mrs B disagreed that she had behaved unreasonably and was unhappy that DHS had warned her she may be subject to a restricted servicing arrangement if that behaviour occurred in the future.

Our investigation concluded that, although we could not be critical of DHS's decision to issue a warning to Mrs B, we were concerned by the lack of detail that was recorded on DHS's file regarding the incident and in the letter to Mrs B. We considered this lack of detail made it difficult for Mrs B or for DHS staff in the future to understand which aspects of Mrs B's behaviour were considered unreasonable, with a view to addressing that behaviour in subsequent interactions. We suggested improvements be made to the arrangements for recording, and communicating with customers about, instances of alleged inappropriate behaviour.

DHS has advised our office that it is currently conducting a review of its customer management strategies across all programs, and will incorporate our feedback into that review. We look forward to providing feedback to that review during 2015-16.

- the continuation of effective liaison arrangements with DHS to investigate Centrelink complaints and broader issues of interest
- regular engagement with DHS staff to discuss and resolve systemic issues in Centrelink complaints, through scheduled quarterly meetings and ad hoc meetings by telephone and in person.

DHS – CHILD SUPPORT

DHS's Child Support program assesses and, in some cases, transfers child support payments between separated parents and/or other carers of eligible children. DHS also registers and collects court-ordered spousal and child maintenance payments, and some overseas maintenance liabilities.

The Ombudsman has jurisdiction to investigate complaints about DHS's administration of a child support case.

Statistics

In 2014–15 we received 1468 complaints about Child Support, only a slight increase on 2013–14 when we received 1426.

We classify the issues in the complaints we receive about Child Support according to whether the complaint was made by a payee (the person entitled to receive child support) or the payer (the person assessed to pay child support). As in previous years, we received just over twice as many complaints from payers (67.2% of all Child Support complaints) as from payees (30.7%).

Reduction in number of investigations

During 2014–15 the proportion of complaints we investigated about Child Support dropped to 16.6%, compared to 18.4% in 2013–14. This continues the downward trend seen in past years resulting from our focus on encouraging complainants to allow DHS the opportunity to resolve their concerns in the first instance, either via complaints directly to DHS or via having their complaint warm transferred to DHS for priority response.

Significant issues

Use of amended taxable incomes arising from circumstances beyond the customer's control

We have received a number of complaints in 2014–15 from payers who complain that DHS cannot adjust their child support assessment to use an amended (reduced) income tax assessment. These complainants advise that the amended tax assessment was brought about by an error, omission or wrongdoing on the part of another person or organisation, and they believe it is unfair they should be assessed to pay a higher rate of child support as a result of circumstances beyond their control.

In response to our inquiries in these cases, DHS advised that it had sought policy guidance from the Department of Social Services (DSS). The advice from DSS was that it considered the *Child Support (Assessment) Act 1989* allows DHS to use amended taxable incomes for child support assessments only in very limited instances, usually where there has been a conviction for fraud or tax evasion.

The complaints our office has considered demonstrate the potential for anomalous outcomes, whereby payers have had to pay substantially higher amounts of child support and/or lodge a time-consuming and intrusive application for a change of assessment in special circumstances (COA) in order to remedy a simple error.

Although we have seen DHS expedite the processing of the COA application in some instances, there is no guarantee of a favourable outcome and some payers have been required to continue to pay child support assessments that are not reflective of their actual earnings.

We are concerned that the current law and policy do not provide an effective or efficient way to address simple errors, particularly those beyond the paying parent's control. We are currently discussing this issue directly with DSS.

Mr C complained to our office that DHS had calculated his maintenance liability using a significantly inflated taxable income that resulted from an error made by the Australian Taxation Office. Although DHS accepted that the income used in Mr C's child support assessment was not representative of his actual income, it advised him that child support law did not allow it to administratively amend the assessment to reflect his true financial position.

DHS advised Mr C that he could seek to have his child support assessment amended via a change of assessment application, but he did not consider this was a suitable option as he did not wish to share his personal information with the other parent (the payee).

Areas of ongoing concern

In our 2013–14 Annual Report we noted three areas of complaints about Child Support where we intended to undertake further analysis and engagement. These were:

- child support for children aged over 18
- complaints from payees where the paying parent had been able to avoid paying child support through relatively simple structuring of their finances
- FTB debts accrued by payees as a result of retrospective increases in their child support entitlement, where they have no reasonable prospect of receiving the unpaid additional child support.

We were pleased to find that, as a result of feedback from this office, DHS has taken action aimed at addressing the first two issues. However, we remain concerned about the issue of FTB debts and intend to continue to discuss this with DHS and DSS.

Looking forward

Child Support's updated case-management system

DHS's Cuba case-management system is in the process of being replaced. The first phase is scheduled for full implementation in the coming months. We have provided feedback to DHS over a number of years regarding the issues we have identified with the current system, and have also been involved in discussions regarding the improvements that are expected to be derived from the upgrades.

We are pleased that the upgrade is progressing and we understand that it will address a number of the issues we have raised with DHS in recent times. Last year's Annual Report referred to the issue of DHS's inability to collect overpayments from payees, as well as the need for payees and payers to receive clearer information about how the overpayment occurred and the options available to recover it.

A requirement of the new system is that it will be able to isolate an overpayment, identify the reason for it occurring and allow for DHS to make withholdings from income support payments.

DEPARTMENT OF EMPLOYMENT

During 2014–15 our office saw a 53.1% increase in complaints about the Department of Employment with 344 complaints received this year compared to 224 in 2013–14. The majority of these complaints were recorded as being about the actions or decisions of job service providers.

Changes to jobseeker compliance framework

From 1 July 2014 the Government commenced a phased process for 'strengthening the jobseeker compliance framework'. This process implemented arrangements to place a greater onus on jobseekers to engage with employment service providers and to impose more stringent consequences where they failed to complete these engagements without a good reason.

As part of these reforms, employment service providers have been empowered to recommend to DHS that a jobseeker's income support payment be suspended where they have failed to attend an appointment without a good reason. While the provider makes only a recommendation, as long as the jobseeker is in fact receiving an income support payment and is required to participate in job services, the DHS ICT system will then automatically apply the suspension.

During the past six months we have seen a spike in complaints about employment service providers where a jobseeker has their payment suspended as a result of a failure to attend an appointment, and then experiences difficulty in identifying whether DHS or the provider is responsible for assisting them to reconnect.

We continue to liaise with the Department of Employment and DHS to highlight these situations, and to encourage them to identify ways to ensure customers are provided with clear information about the pathways for resolving non-attendance failures.

This collaboration will become increasingly important into the future as, from 1 July 2015, job services providers are also able to recommend that DHS impose a financial penalty (in the form of a reduced income support payment) where a jobseeker has failed to attend an appointment.

We understand that broad discretion will be available to providers in deciding whether it is appropriate to recommend a financial penalty in the jobseeker's particular circumstances. DHS staff will then consider the recommendation and make contact with the jobseeker before making a final decision.

DHS already applies financial penalties for failure to comply with mutual obligation requirements, including serious non-compliance, but these penalties may apply for even a first non-attendance failure. We will be monitoring complaints in this area closely into 2015-16 to understand the practical implications for jobseekers, and will also engage with the Department of Employment and DHS to discuss their respective approaches to the new compliance arrangements.

NATIONAL DISABILITY INSURANCE AGENCY

The National Disability Insurance Agency (NDIA) is the agency responsible for administering the National Disability Insurance Scheme (NDIS), a government scheme that funds supports for people with a permanent and significant disability that affects their ability to take part in everyday activities.

At present, the NDIS is being conducted on a trial basis in seven sites across Australia, with the national rollout to be completed between 1 July 2016 and 30 June 2019. All states and territories except Queensland are involved in the trial.

The Commonwealth Ombudsman has jurisdiction to investigate the administrative actions of the NDIA. We have received less than 40 complaints to date, most of which have centred on delays in scheduling a planning meeting, disagreements about what is included in the participant's support plan and dissatisfaction with their assigned planner.

Major activities

Engagement

Over the past year we have visited the ACT trial site and regularly engaged with the NDIA and a number of disability advocacy organisations to discuss emerging issues. Over 2015-16 we plan to visit a number of the other NDIA trial sites, with a view to understanding participants' experience of the NDIS and improving public awareness of the Ombudsman's role in considering complaints about the NDIA.

Submission to proposal for an NDIS Quality and Safeguarding Framework

In February 2015 DSS commenced consultations regarding a proposed NDIS Quality and Safeguarding Framework. The consultation sought views regarding how the Government could ensure the NDIS provides quality support, choice and control, and keeps participants safe from harm. It focused on:

- systems for handling of complaints
- NDIA provider framework
- vetting of provider staff
- protections for self-managing participants
- reducing and eliminating the use of restrictive practices.

The Ombudsman made a submission regarding the framework, which was prepared following consultation with state and territory Ombudsmen. We made particular recommendations regarding the key principles that should underpin a strong complaint and oversight function, most notably that the oversight body should be independent, well-resourced and have authority to handle complaints in a tailored, person-centric manner.

The submission asserted that, in light of these key principles and his office's experience, geographic coverage, presence, networks, business processes and infrastructure, the Commonwealth Ombudsman is well placed to provide the NDIS oversight and complaint function. We await the Government's consideration of our proposal.

DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services is the policy department responsible for, among other things, social security, family assistance, child support, child care and disability. Our office engages with DSS on many of these areas where we have questions or concerns about the way a policy is being administered by the relevant agency.

On occasion, DSS is responsible for directly administering payments or services to the public.

National Rental Affordability Scheme (NRAS)

The National Rental Affordability Scheme (NRAS), which commenced in 2008, is a partnership between the Commonwealth, state and territory governments which aims to increase the supply of new affordable rental housing and reduce rental costs for low and moderate income households by offering incentives to invest in dwellings. The scheme is administered by DSS.

Approved participants are entitled to an annual incentive in respect of each dwelling that satisfies certain NRAS requirements, such as letting the property at 20% or more below the market rent value. The incentive is either a cash amount or a tax offset certificate that is issued to the Approved Participant and then distributed to the individual investor who owns the property.

Approved Participants are usually property developers, not-for-profit organisations or community housing providers. NRAS is designed so that DSS has a direct relationship with the Approved Participants, but not with individual investors.

In early to mid-2014 DSS became aware that its administration of the scheme was not consistent with the regulations. DSS also assessed that a high proportion of the Approved Participants' claims for the 2013-14 NRAS year were likely to be refused.

DSS decided at it would be in the interest of investors, and in keeping with the intent of the scheme, to seek regulatory change before processing these claims. The regulatory amendments came into effect in late 2014.

These changes sought to allow greater flexibility, provide more generous timeframes for the lodgement of documentation evidencing compliance with the scheme and better align the regulations with policy and long-standing administrative practices.

While these changes intended to make it more likely that claims for the 2013–14 NRAS year would be successful, the process of amending the regulations delayed the assessment of these claims. Claim processing was further delayed when it became apparent that a significant proportion of claims were still non-compliant.

In October 2014 we started to receive complaints from investors in the scheme about the delays.

DSS has advised that it has also received an influx of complaints from investors (mainly individuals with a single dwelling in the scheme) who reported that the delay was causing them financial hardship. However, the design of the scheme has impacted DSS' ability to meaningfully engage with investors even though these are the individuals who are financially invested in the scheme.

DSS has endeavoured to communicate with investors via its website and has developed a letter for Approved Participants to sign so it can discuss individual claims directly with investors.

Throughout this time we have engaged in regular meetings and liaison with DSS to discuss the issues raised by the delayed processing of claims and the efficacy of the remedial measures the department implemented to address the issues. We have also engaged with the ANAO about its two-phase audit of DSS's administration of the scheme and continue to engage with DSS about ongoing issues flowing from the delay.

INDIGENOUS AUSTRALIANS

Our office monitors complaints about Australian Government programs that specifically or predominantly impact on Aboriginal and Torres Strait Islander Australians, and particularly those living in remote communities. We also run an outreach program, focused on ensuring that our office remains accessible to Aboriginal and Torres Strait Islander communities and that we are proactive in identifying issues with the administration of government programs which directly impact Aboriginal and Torres Strait Islander people.

Outreach and engagement

This year we have expanded our engagement strategy by broadening our networks of community and government stakeholders across the country. We have continued to meet regularly with our established networks of community stakeholders in the Northern Territory, who have kept us informed about current issues affecting their Indigenous customers, who are predominantly from remote areas.

We have also started establishing stakeholder networks in capital cities around the country and have commenced a program of Indigenous roundtable discussion forums with these groups. This financial year we conducted a series of roundtable discussions in Brisbane, Canberra, Melbourne, Adelaide, Perth and Sydney.

We met with a wide range of community stakeholders and advocates who work closely with the Indigenous community and we heard from them about key issues and problems affecting their clients.

In April in Darwin, in conjunction with the Northern Territory Ombudsman's office, we held Indigenous discussion forums focusing specifically on government complaint-handling systems for Indigenous individuals and communities.

We held separate forums with community and government stakeholders, who contributed their views about what works, what doesn't work, and possible solutions for improving government complaint systems so that they are both effective and accessible for Indigenous individuals and communities.

We intend to continue this dialogue with more forums over the coming year, with a view to encouraging government agencies to pursue more creative approaches in their dealings with Indigenous Australians in ensuring there are appropriate mechanisms to seek feedback and deal with complaints when delivering services and programs.

Two key areas of interest that we have continued to monitor closely are the Department of Human Services' (DHS) Centrepay and Income Management schemes.

Centrepay

Centrepay is a free bill-paying scheme for DHS customers. Over the years our office has received complaints and feedback about the scheme's administration, including problems which have contributed to detrimental outcomes for vulnerable customers, particularly Indigenous customers.

In 2013 DHS commissioned an independent review into the scheme. Our office was one of a number of stakeholders who made a submission to that review.

The Report of the Independent Review of Centrepay was submitted to the Secretary of DHS in June 2013. It made 89 recommendations for changes to the scheme. Our office has continued to engage with DHS about its response to the review since that time, including through our investigation of complaints raised with us on behalf of remote Indigenous customers.

In May 2015 DHS sought our office's views on aspects of its revised Centrepay framework and we provided our feedback in early June 2015. DHS has since published its responses to the independent review's 89 recommendations on its website, and it has also published its new Centrepay policy, which will begin to apply to businesses from 1 July 2015.

Our office welcomes DHS's restructuring of the Centrepay scheme, and particularly the changes aimed at limiting access to the scheme by business types which have historically been identified as predatory or exploitative, and improving the level of information provided to customers about their Centrepay deductions. However, we are yet to review the finer details of the new scheme, and have not yet been able to fully assess the extent to which the changes address the concerns previously raised by our office.

We will continue to monitor the rollout of the new Centrepay scheme and the impact of the changes through meetings and discussions with DHS and our stakeholder networks.

Income management

Income management (IM) is a scheme that enables DHS to manage at least 50% of a person's income support payments to ensure they meet their priority needs and those of their family. IM has applied in the Northern Territory since 2007 and has gradually been extended to other areas, and to new groups of DHS customers.

Despite these changes, the number of Indigenous customers being income managed still far outweighs the number of non-Indigenous customers, with 20,778 of 26,250 income-managed customers identifying as Indigenous as at March 2015.

Our office continues to monitor and investigate the scheme's administration through complaints and feedback we receive from our stakeholders and members of the public.

In September 2014 the Social Policy Research Centre at the University of New South Wales released the *Final Evaluation Report, Evaluating new Income Management in the Northern Territory*. The report, commissioned by the Department of Social Services, noted that new processes DHS had implemented in response to our office's 2012 own motion report into IM decision making had resulted in improvements to the IM exemption process, including:

...more stringent reporting about reasons for not allowing an application for an exemption, and new processes to ensure that customers subject to the compulsory income management measures are regularly informed of their right to apply for exemptions when engaging with Centrelink regarding other matters. Many of these changes were welcomed by the exemptions staff interviewed for the evaluation, and they noted they now felt clearer about the process and more comfortable in granting exemptions than before the Ombudsman's report:

There were a lot of exemptions being rejected at first because sometimes it wasn't always clear and there's a fine line of what we saw as being financially vulnerable. The Ombudsman came in and that led to changes in how we did documentation and assessed change. Now it's quite a process to reject an exemption. (Centrelink Customer Service Officer)²

The report also noted that our office's 2012 review had resulted in the tightening of guidelines around social worker assessments concerning customers on the vulnerable measure of IM.

The vulnerable measure of IM was originally designed to provide DHS social workers with an additional tool to use in supporting vulnerable or at-risk individuals who were financially vulnerable. The measure is applied to customers on a case-by-case basis, following an assessment by a DHS Social worker.

The vulnerable measure was expanded from 1 July 2013 to include an additional category of vulnerable customers who are not identified on a case-by-case basis, but rather by virtue of the fact they meet various objective criteria, making them part of a specific class or group. Vulnerable youth customers are identified by DHS's computer system and IM is automatically applied to them after they qualify for a 'trigger' payment.

In May 2015 the Australian Government introduced the Social Services Legislation Amendment (No.2) Bill 2015, which seeks to end case-by-case social worker identification of vulnerable welfare payment recipients (VWPRs), and to move to a system of identifying all VWPRs by virtue of their membership of a class or group of individuals, like the vulnerable youth measure.

The Bill was referred to the Senate Community Affairs Legislation Committee for inquiry and review and the committee tabled its report on 15 June 2015. Our office was one of a number of organisations and individuals who lodged submissions to the inquiry, cautioning against the removal of the case-by-case identification of vulnerable customers for income management.

Our office's position was based largely on our observations of the administration of the vulnerable youth measure of IM and, in particular, the use of automated decision-making processes.

In our view it has the potential to result in IM being applied to customers in circumstances where it could be detrimental to their wellbeing. Other organisations' submissions echoed our office's concerns in this regard.³

In addition to our submission, we have investigated a number of complaints about income management, resulting in some good outcomes.

² J Rob Bray, Matthew Gray, Kelly Hand and Ilan Katz, *Evaluating New Income Management in the Northern Territory: Final Evaluation Report*, September 2014, p241

³ See for example submissions number 1 and 2 by the Australian Council of Social Service (ACOSS) and UnitingCare Australia, respectively: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Social_Services_No_2/Submissions

The North Australian Aboriginal Justice Agency (NAAJA) approached our office on behalf of three IM clients whose payments had been allocated by DHS towards items they claimed they were not required to pay for. In investigating those complaints, our office identified problems with DHS's process for recovering incorrect or overpaid IM funds from businesses, in cases where the business disputed the amount.

We suggested that DHS consider reviewing its IM recall and recovery processes. DHS agreed with our suggestion and advised that it is developing new processes with ICT enhancements and updated procedures, which it expects to publish by October 2015.

These procedures will ensure that customers are provided with written notification about the outcome of their recall/recovery request and reasons, together with their review rights. We are pleased with DHS's response and will continue to monitor this issue.

In 2014 NAAJA approached our office on behalf of two IM clients to complain that, following a successful application for debt waiver, a DHS Authorised Review Officer (ARO) had informed NAAJA that DHS would repay the amounts their clients had overpaid towards the waived debts into their IM accounts rather than their personal bank accounts.

NAAJA complained that the debts were initially raised before the commencement of IM, and that their clients had repaid a significant portion of the debts from their personal funds. Therefore, it wasn't fair that their access to the refunds should be limited by the money being repaid to their IM accounts.

NAAJA advised that although DHS ultimately agreed to refund the money to their clients' personal bank accounts, they and other legal services had previously dealt with similar cases where there appeared to be a degree of uncertainty about what account the money should be paid into for IM customers following debt-waiver decisions. NAAJA raised concerns about the lack of a clear position from DHS, including the likelihood of unfairness in similar cases.

In response to our investigation, DHS advised our office that its policy is to repay amounts to IM customers' personal bank accounts in all cases following successful debt-waiver decisions. DHS acknowledged that the advice its staff provided to NAAJA on this point was incorrect.

In responding to our initial inquiries, DHS provided our office with a copy of its internal procedures outlining what steps its staff should take when refunding payments on debts.

DHS advised that the staff involved in processing debt refunds were aware that they should refund these amounts to IM customers' personal bank accounts, and those staff had received training about this. However, the written procedures did not make it clear that payments would be refunded to IM customers' personal bank accounts.

We pointed out that the lack of a clear written policy in DHS's Operational Blueprint meant that the correct process might not be clear to other DHS staff such as AROs, who may have cause to discuss refunds with customers in the course of explaining their decisions.

We therefore suggested that DHS update its procedures to make this clear, in order to avoid any future confusion over this issue. The department agreed with our suggestion and has updated its internal procedures to state that refunds of over-recovered debts to IM customers will be refunded to the customer's personal bank account.

POSTAL INDUSTRY OMBUDSMAN

Overview

The Commonwealth Ombudsman is also the Postal Industry Ombudsman (PIO). The PIO role was established in 2006 to provide an industry ombudsman service for postal operators and their customers.

Australia Post is a mandatory member of the scheme, while private postal operations (PPOs) can register voluntarily. As at 30 June 2015, there were six PPOs registered.

The PIO can investigate complaints about postal or similar services provided by Australia Post and PPOs. The Commonwealth Ombudsman can also investigate complaints about administrative actions and decisions taken by Australia Post. Most commonly, people complain to the PIO about lost letters or parcels, delivery issues (including the failure to attempt delivery of parcels and incorrect safe drop procedures), and dissatisfaction with Australia Post's handling of their complaint.

Statistics

In 2014–15 we received 5613 complaints about Australia Post, which was a 38% increase on the previous financial year. In general, the volume of complaints about Australia Post has been steadily growing and has almost tripled since the PIO was established in 2006.

During this financial year Australia Post complaints represented around 27% of the total number of in-jurisdiction complaints received by the office, making

Australia Post the second most complained about entity in our jurisdiction. However, we acknowledge that Australia Post also has a very high level of daily contact with the public.

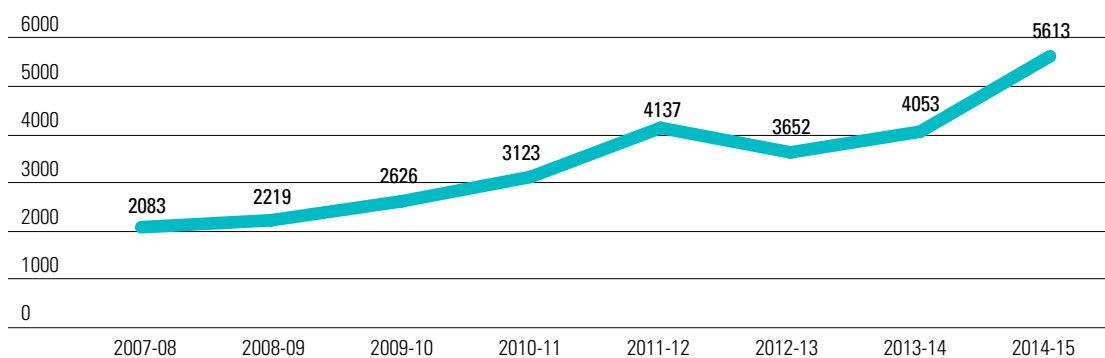
Australia Post reported that it delivers more than 16 million articles of mail each day to over 11 million addresses and serves approximately 70,000 customers in-store daily.

We also received 16 complaints about other postal operators in the PIO jurisdiction, which was 60% more than the previous financial year. These complaints, together with the 5351 complaints we received about Australia Post in the PIO jurisdiction, totalled 5367 complaints in the PIO jurisdiction. This was an increase of almost 40% on the previous financial year.

We did not investigate all complaints we received about Australia Post or PPOs. The main reasons for declining to investigate a complaint included that:

- the complaint was outside our jurisdiction (for example, it was about employment or a company that was not a registered PPO)
- the complainant could not show they had made a reasonable attempt to resolve the issue with Australia Post or the PPO
- we assessed that a better practical outcome was unlikely.

Figure 2 All approaches for Australia Post (Commonwealth & PIO)



Where we assessed that Australia Post could consider providing a better outcome, we transferred the complaint to Australia Post for reconsideration (a second-chance transfer, as described below).

Of the approaches we received about Australia Post and PPOs in 2014–15, we commenced 468 investigations. In total, we completed 428 investigations during this period (392 under the PIO jurisdiction and 36 under the Commonwealth Ombudsman jurisdiction). Only two of the investigations completed during this period related to a complaint about a PPO, with the remainder concerning Australia Post.

Second-chance transfers

We transferred 1973 complaints (around 35% of complaints received) to Australia Post for reconsideration pursuant to our second-chance transfer arrangement. These were relatively uncomplicated complaints where we assessed that Australia Post could consider offering a better outcome to the complainant.

In general, this process gives Australia Post another opportunity to review the complaint and resolve the matter, which potentially reduces the need for an Ombudsman investigation. Further, the outcome of a referral back to Australia Post is typically a quicker resolution of the issue for the complainant and an opportunity for Australia Post to learn from complaints to further improve its own complaint-handling practices.

Most of the complaints transferred as part of this arrangement were successfully resolved by Australia Post. However, complainants can return to our office if they are dissatisfied with the response. We recorded a small number of complaints (196, or around 10%) as returning to our office following a transfer. We investigated a small proportion of these complaints, but we were generally satisfied with Australia Post's response and declined to investigate.

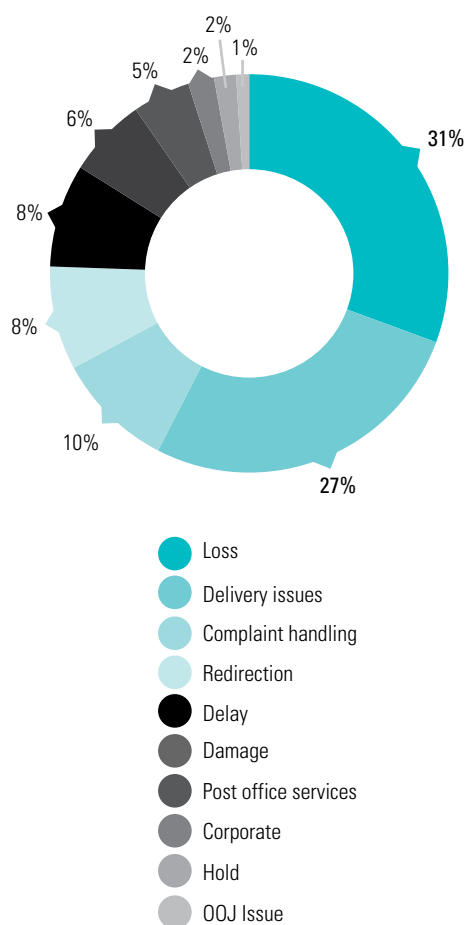
Fees

The PIO was established with the intent to recover its costs from the industry by charging investigation fees. Fees are calculated and applied retrospectively after the end of the financial year and are returned to Consolidated Revenue.

Significant issues in the reporting period

At the beginning of the financial year we altered the way we record complaints about Australia Post and PPOs in order to better capture the root cause of complaints. Following this, we identified loss, delivery issues and complaint handling as the three most common top-level complaint issues about Australia Post.

Figure 3 Top level issues closed by Australia Post 2014–15



1. Loss

The most common complaint received by the PIO relates to lost letters or parcels. In these cases the dispute typically arises because Australia Post believes it has correctly delivered an article, but the addressee claims that they have not received it.

Catalina posted 105 envelopes at her local Post Office at a cost of \$1.40 per envelope. After hearing that some addressees had not received the item, she contacted each of the 105 addressees and found that none of them had received it. Catalina complained to Australia Post and requested compensation for its failure to deliver the envelopes. Australia Post declined to compensate Catalina, advising her that as per its terms and conditions, no compensation is payable in relation to ordinary mail articles. In response to our investigation, Australia Post advised that mail volumes at the time of posting were larger than normal and the items may have been delayed rather than lost. However, Australia Post recognised the financial loss and inconvenience caused, and therefore provided Catalina with a discretionary payment for the total cost of postage (\$147).

2. Delivery issues

Delivery issues are broad-ranging and include complaints about the failure to attempt delivery of parcels, incorrect safe-drop procedures and the failure to obtain a signature on delivery when required to do so.

Ivan purchased an item online and the seller sent it to him by Express Post. Ivan did not receive the item but the tracking information indicated that the parcel had been delivered. When Ivan complained to Australia Post, he was advised that the parcel was correctly delivered as it was dropped at a safe place at his address, and the complaint was closed. In response to our investigation, Australia Post decided the address was not a suitable location for a safe drop due to visibility from the street. Australia Post provided Ivan with full compensation for the item and the location was no longer deemed a safe drop location.

3. Complaint handling

Complainants often explain to the PIO that they attempted to resolve their complaint with Australia Post, but were dissatisfied with how their complaint was handled. Reasons for dissatisfaction most often included unreasonable delay or a lack of response, or conflicting or confusing advice provided by Australia Post.

Akram posted a computer hard drive to a client and paid for Extra Cover (up to \$300). Online tracking showed that the item reached a point in transit and did not go any further. Akram lodged a complaint and a claim with Australia Post. Australia Post advised Akram on several occasions that his complaint was under investigation; however, after six weeks it had not provided a formal response or assessed his claim. During this period Akram's client notified Akram of its intent to sue for damages as the hard drive contained sensitive commercial information. As Australia Post had not advised Akram of the outcome of its investigation, Akram elected to pay his client \$1200 compensation in order to avoid litigation. In response to our investigation, Australia Post advised that it was unable to locate the missing hard drive and deemed it lost. Akram was satisfied with the compensation offered by Australia Post as a result of our investigation.

Introduction of new services

In addition to the common complaint themes outlined above, we identified two critical events that led to a spike in complaints during 2014–15:

1. Introduction of new complaints management system, MyCustomers

Australia Post introduced its new complaints management system, MyCustomers, in late 2014. Australia Post experienced some early technological problems with this new system, which resulted in a backlog of complaints and some delays. This in turn led to a rise in complaints to the PIO about Australia Post's complaint handling.

A key aspect of MyCustomers is that it sends auto-generated emails to complainants advising when their complaint has been received, progressed and eventually closed. Complainants approached the PIO advising that they had received notifications that their complaint had been closed without any information or contact from Australia Post in response to their complaint. Issues associated with auto-generated emails have also affected complaints transferred from the PIO to Australia Post via our second-chance transfer arrangement, as well as Ombudsman investigations.

We are liaising with Australia Post as it attempts to resolve issues associated with the new MyCustomers system, particularly its use of auto-generated emails.

2. Introduction of new service, ShopMate

In October 2014 Australia Post launched its ShopMate service to assist customers who want to purchase goods from sellers in the USA who do not offer shipping to Australia. Subscribers to the service can shop directly with US merchants and have their goods sent to an Australia Post logistics warehouse in the USA. Australia Post then advises the customer of the cost to forward the purchased goods to a delivery address in Australia and once costs are paid, Australia Post sends the goods to the addressee in Australia.

The PIO received 83 complaints about ShopMate during the year. The key issues related to disputes about the dimensions of the relevant article and whether it exceeded ShopMate's size limits, a lack of clarity regarding pricing calculations and delivery problems that occurred before arrival at Australia Post's warehouse.

PIO investigations have demonstrated that it is often difficult for a customer to know the exact dimensions of an article before purchase, and the customer is most likely uninformed about the manner in which the merchant will pack the goods. The result is that, once Australia Post has received the item in its US warehouse, the customer may be surprised and unhappy with Australia Post's advice regarding the cost of shipping (or, in some cases, the refusal to ship the item to Australia due to it exceeding the ShopMate size limits).

Mei ordered a Christmas present for her child from a US merchant, to be delivered via the ShopMate service.

After it arrived at the US warehouse, Australia Post advised Mei that the item was over the size limits and could not be shipped to Australia. Mei complained to Australia Post, noting that the dimensions of the item on the merchant's website suggested that the item was within the advertised limits. Australia Post responded that, despite the information on the merchant's website, the length of the article exceeded the size limits, and Mei was provided with the options of having the item destroyed for a \$5 fee, returned to the sender (at Mei's expense) or sent to another US address (at Mei's expense).

Mei requested that Australia Post repack the item to reduce the length; however, Australia Post advised that it had already repacked the item but it could not reduce the length. Mei complained to the PIO stating that Australia Post's responses did not satisfactorily explain the discrepancy in the length of the item, and that delays in responding to her were preventing the issue from being resolved in time for Christmas. Following our investigation, Australia Post arranged for the article to be delivered via an alternative method at a discount as a gesture of goodwill in recognition of the disappointment Mei experienced in not receiving the goods in time for Christmas.

At this point the customer has already paid the US merchant for the goods, but may only be left with the options of paying to have the item destroyed, returning it to the sender or arranging for an alternative method of delivery at their own cost.

We are liaising with Australia Post to develop a better understanding of the key complaint themes and to develop a position regarding issues associated with this new service.

Reforming Australia Post

The growth in electronic communications and changes in consumer behaviour have recently presented Australia Post with significant challenges. In early 2015 Australia Post communicated that the number of letters delivered by household had fallen by one-third since volumes peaked in 2008, resulting in Australia Post's letters business losing more than \$300 million a year.

In March 2015 the Federal Government approved Australia Post's request for regulatory reform of its letters service. As a result, it is expected that a two-speed letters service – a priority and a regular service – will be introduced for consumers no earlier than September 2015. The new regular service will provide the cheapest option for consumers and will be delivered two days slower than the current timetable, while the priority service will be appropriate for consumers wanting to send mail at the current schedule. This announcement led to Australia Post commencing a nationwide consultation process, with the aim of engaging employees, customers and government on the implementation of the changes.

We recently participated in an interdepartmental committee chaired by the Department of Communications on the modernisation of Australia Post. Our broad complaint-handling experience across the public sector gives us a unique insight into public administration and we have sought to use that perspective to ensure that the potential impacts on Australia Post's customers are taken into account.

Particular areas of interest for the PIO include the possible increase in complaints and the flow-on effects on the communication between government agencies and their clients, particularly the vulnerable and disadvantaged members of the community. We will continue working with Australia Post during the transition to the new two-tier letters service.

Commitments from 2013–14

In the past we have observed that information provided by Australia Post should help customers understand their rights and responsibilities, and to understand which service is best suited to their needs. In our last Annual Report we identified some issues that could be improved. The progress made in 2014–15 in relation to some of these issues is noted below:

- **Adequate packaging** – Packaging is a significant factor when deciding whether or not to pay compensation for damage and we are pleased that Australia Post has improved the information it provides regarding how to pack different types of items. In particular, Australia Post revised its Dangerous and prohibited goods and packaging guide in December 2014. However, we will monitor this issue in the coming year as we continue to receive complaints regarding the adequacy of packaging materials.
- **Compensation** – We have previously noted that there was a potential conflict in information provided by Australia Post about the compensation payable for coins lost or damaged in the post. Australia Post clarified its position on this issue in its terms and conditions and Dangerous and prohibited goods and packaging guide to consistently explain that Australia Post prohibits coins in the International Post and all services within Australia except Registered Post, or a parcel service in conjunction with Extra Cover and Signature on Delivery, where the face value of the coins is A\$200 or less in any one consignment.

Emmanuel arranged for a parcel to be sent to him using Australia Post's cash-on-delivery service with Extra Cover. At the time of collection of the parcel, Emmanuel noticed that it was wrapped in a postal bag. When he opened the postal bag, the contents of the parcel fell out and he found a note explaining that the parcel had been repackaged by Australia Post because the packaging had been damaged at the delivery centre. Emmanuel then found that some of the items he was expecting to receive were missing from the parcel and he contacted Australia Post to make a claim for compensation (noting that the sender had explained to him that Australia Post staff had originally assisted with the packaging of the items).

Australia Post refused Emmanuel's claim for compensation because it believed that the items were not adequately packaged. In response to our investigation, Australia Post concluded that although the packaging did not meet Australia Post's packaging recommendations in this instance, the packaging was processed as sufficient by the staff member who completed the postage transaction. Based on this, Australia Post agreed to compensate Emmanuel for the lost items in accordance with the Extra Cover purchased.

- **Tracking** – We sometimes receive complaints that parcels were not fully tracked and therefore complainants are unable to check and confirm lodgement, progress and delivery of an item. While Australia Post aims to scan parcels at key points in the delivery process, we recognise this may not always occur, usually due to infrastructure limitations or human error. In the past we discussed with Australia Post the importance of providing clear public information about the tracking service and what it offers. The situation has improved as Australia Post has rolled out increased infrastructure to support its tracking capabilities, and the information currently provided by Australia Post better explains the scope of tracking.
 - » clarifying in its procedures manual the principle that that Australia Post accepts signed authorities "in good faith" (given that it is unable to verify the addressee's signature), as well as providing further guidance in relation to how staff can satisfy themselves that an authority is genuine
 - » reviewing the information Australia Post records to demonstrate that identification has been checked (as Australia Post does not currently record any identification details)
 - » reviewing the information provided in collection cards to ensure they are consistent in regards to authorisation instructions.
- **Authorisation, signatures and identification** – Australia Post's identification checks and verification of authority are common areas of dissatisfaction associated with complaints about unauthorised mail redirections, parcels being released to the wrong person and authorisation to leave signature items at an address. We have previously approached Australia Post with our concerns about its policy and procedures, and we recently pursued this issue further by suggesting that Australia Post consider:
 - » clarifying in its procedures manual the nature of possible arrangements that Australia Post may make to release a non-signature item to a regular customer known to staff in circumstances where staff have checked the person's identification in the past

Major outcomes

The PIO carries out its functions by investigating individual complaints, identifying and pursuing systemic problems, and acting on emerging issues.

A number of our investigations have resulted in better outcomes for complainants including expedited action, comprehensive searches for lost items, apologies, compensation payments, postage refunds, staff being counselled or disciplined, and the provision of better explanations by Australia Post or our office.

Nora had not received any mail since moving in to her new residence and believed her mail was being delivered to her next door neighbour's letterbox instead. Nora complained to Australia Post and received conflicting advice about why her mail was being delivered incorrectly and whether her address was a valid delivery point. Our investigation found that until recently Nora's residence had a different street address and the new address was not listed on the National Address File (NAF). The result was that staff at the local delivery centre were unaware of the delivery location. Australia Post updated Nora's address on the NAF, informed the local delivery centre of the change and apologised to Nora for the inconvenience.

Our investigations and ongoing engagement with Australia Post in relation to key complaint issues has also resulted in improvements to Australia Post's policies, procedures and communications. For example, the PIO was provided with opportunities to comment on Australia Post's proposed updates to its postal guides. In particular, we provided comments in relation to Australia Post's Domestic Parcels Guide, and we are also liaising with Australia Post regarding updates to its General Post Guide.

TAXATION OMBUDSMAN

Final Taxation Ombudsman report

In March 2015 the Parliament passed legislation that transferred the Commonwealth Ombudsman's tax complaint-handling function to the Inspector-General of Taxation (IGT), on 1 May 2015.

The Commonwealth Ombudsman is no longer able to investigate new complaints about the Australian Tax Office (ATO) or the Tax Practitioners Board (TPB), except for complaints about freedom of information (FOI) or public interest disclosure (PID).

This Annual Report will be our last report on the activities of the Taxation Ombudsman; however, PID and FOI matters concerning the ATO or TPB may be reported separately.

The handover of the tax complaints function to IGT was successfully completed and with the least possible inconvenience to taxpayers.

Overview

This year marks the 20th anniversary as well as the end of the Taxation Ombudsman role.

The role was established in 1995 to increase the focus on the investigation of complaints about the ATO and since then we have finalised more than 40,000 complaints.

Major events or projects undertaken by the ATO that proved to be sources of complaints during this period related to:

- the ATO's handling of complaints about the settlement process for taxpayers involved in mass marketed investment schemes in 1998-99
- the introduction of the Goods and Services Tax in 2000-01
- the rollout of the ATO's systems upgrade (referred to as the 'change program') in 2009-10 and the impact of delays on taxpayers
- the Project Wickenby joint taskforce and the ATO's handling of complaints from high-profile taxpayers in 2012-13.

The Taxation Ombudsman completed several own motion investigations during this period, which led to significant change and service improvement including:

- an investigation into ATO complaint handling, published in July 2003. This led to the creation of a whole-of-ATO complaints management system with over 66% of complaints resolved satisfactorily

- the ATO's administration of garnishee action, published in April 2007. As a result the ATO improved its procedural advice and guidance to staff and introduced an internal review process for payment arrangement decisions
- re-raising of written-off tax debt, published in March 2009. The ATO improved its advice to taxpayers to avoid confusion over the debt re-raise process
- resolving Tax File Number compromise, published in September 2010. The ATO changed its identification and response processes to improve outcomes for taxpayers.

Over the past 20 years we worked proactively with the ATO to encourage it to improve its complaint-handling process, learn from complaints and take active responsibility for resolving them. The ATO has been receptive to our approach and adopted many of our suggestions, resulting in an enhanced experience for taxpayers in resolving matters.

This approach resulted in a steady decline of complaints to the Ombudsman about the ATO, and this year the Taxation Ombudsman received the lowest number of annual complaints since the commencement of the role in 1995.

Following is a summary of 2014–15 complaint matters concerning the ATO.

Complaints about the ATO

The majority of complaints to the Ombudsman about the ATO are made by individual taxpayers and small-business owners.

In 2014–15 we received 1118 complaints about the ATO, the lowest number of complaints received in any year since the Taxation Ombudsman was established, and a decrease of around 18% compared to 2013–14 (1369). This reduction is mostly attributed to the fact that we stopped receiving tax complaints about the ATO from 1 May 2015.

Overall, complaints about the ATO accounted for over 5% of the total number of in-jurisdiction complaints received by the Ombudsman during the year.

Complaint themes

During 2014–15 the most common complaints received by the Ombudsman about the ATO related to:

- debt-collection activities
- lodgement and processing of income tax returns
- audits and reviews conducted by the ATO
- superannuation.

Debt collection

Concerns regarding the ATO's debt-collection activities continue to result in a significant number of complaints to the Ombudsman, accounting for over 20% of complaints received about the ATO in 2014–15.

The most common theme raised by complainants related to garnishee action. In some cases complainants were unaware of an ATO debt or the ATO's intention to garnishee a bank account or income tax refund until after the garnishee action was taken.

This issue can arise when a taxpayer has multiple tax accounts with the ATO and may not update new contact details on each account. The ATO enhanced communication to taxpayers regarding the need to update contact details on all tax accounts; however, this remains a persistent cause of complaints.

A debt collection agency contacted Mr and Mrs X about an unpaid ATO debt in relation to non-payment of PAYG instalments for their business. They complained to the ATO that it had not made contact with them before referring a debt to a collection agency. As a result of investigation by this office, it was established that Mr and Mrs X had updated their personal address but not the business postal address with the ATO, and all correspondence relating to PAYG instalments were sent to a previous address. The ATO wrote to Mr and Mrs X and explained the circumstances under which the debt arose, updated the address and confirmed the amount and due date of the remaining debt.

Lodgement and processing

The annual lodgement of income tax returns and activities involving the ATO's Income Tax Return Integrity (ITRI) program continued to be the subject of a significant number of complaints to the Ombudsman, particularly during tax time. In 2014–15 complaints involving issues with lodgement and processing accounted for around 18% of complaints received about the ATO.

The ITRI program detects income tax returns that may contain missing or incorrect information. This can trigger a review of the income tax return before a refund is issued, which can lead to a delay in issuing a refund even if the ATO ultimately determines that the taxpayer's information is correct.

The ATO has significantly improved taxpayers' experience with the ITRI program following feedback from this office, and continues to improve its communication with taxpayers and agents regarding delays.

Ms X currently resides overseas but lived and worked in Australia for a period beginning in 2012. Ms X lodged her 2013 tax return and received a debt assessment. She later lodged her 2014 tax return and received a refund by cheque. As she lives overseas she was unable to deposit or cash the cheque, so she requested that the ATO cancel the cheque and instead credit the funds towards her tax debt. The ATO informed Ms X that it would review her status as a non-resident. Ms X was concerned that the ATO was charging her interest on the unpaid debt and any delay would cause further cost. She felt the review and subsequent delay was unfair. Ms X complained to the ATO but found its responses unclear. In the course of our investigation, the ATO reviewed its actions and resolved Ms X's concerns. The ATO advised Ms X that it agreed with her residency status and had not applied a general interest charge. The ATO cancelled the tax refund cheque and applied the credit to the debt.

Superannuation

In 2014–15 over 10% of ATO complaints we received related to superannuation and unpaid superannuation guarantee payments. Complaints were typically made by individual employees regarding unpaid superannuation, with concerns about delay, lack of information and uncertainty about the ATO's actions the most common complaint themes.

Changes to regulations for Self-Managed Superannuation Funds (SMSF) resulted in a small number of complaints from SMSF trustees, most commonly concerning a refusal by the ATO to approve the registration of the SMSF.

Mr X applied to register an SMSF with the ATO. The ATO audited Mr X's application and, as a result, decided to withhold the Australian Business Number (ABN) of the fund from the Super Fund Look Up website. Mr X complained to the ATO about the decision, and the ATO's advice that no appeal avenues were available to challenge the decision. Unsatisfied with the ATO's response to his complaint, Mr X approached this office. Mr X stated his original concerns with the decision and lack of appeal avenues, noting his view that the response from the ATO did not adequately justify the grounds for its decision. Following an Ombudsman investigation, the ATO wrote to Mr X explaining its regulatory obligations and decision-making processes in assessing an SMSF application, and the subsequent review it conducted after Mr X's formal complaint. The ATO also clarified that the decision is not subject to the usual external administrative appeal mechanisms but that he may seek redress through the courts.

Audit and review

Approximately 8% of tax complaints received by the Ombudsman in 2014–15 involved concerns about the ATO's audit activities, most commonly in relation to income tax returns. When the ATO identifies that an income tax return or GST claim may contain incorrect or incomplete information, it may subject the claim to a thorough review before issuing a refund.

Complainants commonly raised concerns regarding the selection of their income tax return for audit, and the length of time taken to finalise the audit. Other complaint issues included the ATO's decision to extend the scope of audit to previous years, and problems with the volume and types of documentation the ATO has requested in relation to the audit.

Mr Y's tax return was audited and the ATO gave him 21 days to provide documents and receipts to substantiate his deductions, but he was unable to provide the information within that timeframe. The ATO granted an extension of time but he was still not able to provide the information in time, due to significant personal circumstances. The ATO refused to grant a further extension and amended his return accordingly. Mr Y complained that he felt the ATO ignored his circumstances and that he didn't agree with the audit decision. Our investigation revealed that the ATO extension decision was reviewed by a senior officer and it had allowed Mr Y approximately 50 extra days. The ATO had also made several unsuccessful attempts to contact him. Mr Y can correct the final assessment by providing the documents via the objection process.

Other matters

Social media – the Taxation Ombudsman Facebook page

In August 2014 we launched the Taxation Ombudsman Facebook page to provide taxpayers with real-time information concerning the progress of Tax-Time and other tax complaint information. The Facebook page proved a popular addition with posts shared widely, particularly by individual tax agents.

myGov and the ATO's electronic lodgement process

myGov is a service managed by the Department of Human Services (DHS). It allows users to access a range of Australian Government services with one username and password. From the 2013–14 tax year, taxpayers are required to link their ATO account to myGov in order to lodge their tax return electronically.

While we received some complaints about myGov, the majority raised general concerns with the requirement to register with myGov rather than the operation or use of the service.

IMMIGRATION OMBUDSMAN

Overview

The Immigration Ombudsman has continued its oversight of the Department of Immigration and Border Protection (DIBP) through:

- regular inspection of immigration detention facilities
- monitoring of immigration compliance activities and those detained and later released as lawful non-citizens
- reporting to the Minister for Immigration and Border Protection on the circumstances of people who have been in immigration detention for more than two years
- investigating individual complaints about general immigration matters and detention.

Complaints

We deal with immigration complaints in two streams: general immigration (visas and citizenship) and detention-related matters. We received 1810 complaints about the department in 2014–15, compared with 1771 in 2013–14, an increase of 2%. We investigated 282 complaints, or 16%.

We received 806 complaints about detention-related matters and completed 188 investigations. We received 1004 general immigration complaints and completed 94 investigations. This includes some investigations commenced in the previous financial year.

We have seen the same issues in general immigration complaints as in previous years. The largest category of complaints was delays in visa application processing. The second largest was complaints about delays or the refusal of citizenship applications.

Complaints from people in immigration detention about safety and security have increased, as have those about assault and the use of force.

Medical issues are also a cause of ongoing concern. This includes complaints about the provision of medication and access to specialist medical and dental treatment.

Similarly, property issues are a common area of complaint, including detainees' property going missing or not being transferred when detainees are moved within the detention network, as well as complaints about compensation claims for lost or damaged property. Our detention inspections team continues to focus on this issue as part of its inspection of detention facilities.

The department's response times for complaint investigations continues to be a concern. For the first six months of 2014–15, only 38% of responses were received within the agreed timeframe of 28 days, with 58% taking between 29 and 60 days. There was a marginal improvement in the second six months with 40% taking less than 28 days and 50% taking between 29 and 60 days. Ten percent of complaints took longer than 60 days to receive a response. We are continuing to work with the department to improve this process.

Warm transfer of complaints to the department

Where a person who complains to us, has previously complained to the department and is not happy with the outcome, we offer them a 'warm transfer' that refers the complaint back to the department, giving it a second opportunity to resolve the matter without investigation by this office. In 2014–15 we transferred 68 complaints to the department.

Stakeholder engagement

We host a series of community roundtables in Australian capital cities to strengthen our engagement with stakeholders in the immigration sphere. These roundtables are an opportunity to inform stakeholders, including representatives from service providers, non-government organisations, advocacy groups and asylum seekers, about the role of the Ombudsman and to listen to any concerns about the administration of the department's functions.

To continue this engagement we have also begun publishing a quarterly e-newsletter to share news about our priorities and issues of interest.

Liaison

In our liaison with the department, we routinely meet at various levels up to and including the Secretary to discuss significant matters, systemic issues and emerging trends. The Deputy Ombudsman and Senior Assistant Ombudsman meet regularly with the Senior Executive of the department, and biannual liaison meetings are held between directors, the Senior Assistant Ombudsman and the department's External Administration section and other relevant areas in the department.

These meetings were irregular during the 2014–15 financial year due to the department's restructure and multiple changes in departmental contacts. We look forward to re-establishing our regular liaison with the department as it settles into its new structure.

Following up recommendations from previous reports

In 2013 we published a report on suicide and self-harm in immigration detention. Of the report's nine recommendations, the department accepted eight in full or in principle and noted one. It has provided updates on the implementation of these recommendations, with eight now being implemented in full.

The status of the final recommendation, that deaths in immigration detention be included in the National Deaths in Custody Program of the Australian Institute of Criminology, remains the subject of ongoing discussion with the department.

As part of our ongoing monitoring of suicide and self-harm by detainees, the department has committed to providing us with six-monthly reports detailing the number and nature of such incidents, as well as health data statistics provided by the detention health services provider.

Compliance and monitoring

In August 2013 we continued an ongoing own motion investigation to oversight the department's compliance activities involving locating, detaining and removing unlawful non-citizens. The investigation provides the government and the public with a degree of assurance that the department's processes are lawful and in accordance with good practice.

This is important as a departmental delegate approves warrants to allow immigration officers to enter and search premises under s 251 of the *Migration Act 1958*. In 2014–15 we conducted desktop reviews of s 251 warrants and associated documentation. We also examined documentation for removals from Australia, including people removed after the cancellation of their visa under s 501 of the Migration Act due to criminal convictions or character concerns.

We also attended aspects of the department's compliance staff training, presented sessions to compliance staff on the functions of the Ombudsman's office, and observed field compliance operations in the following locations:

- Canberra – 14 August 2014
- Melbourne – 6 to 8 October 2014
- Bairnsdale – 8 October 2014
- Sydney – 30 and 31 March 2015
- Perth – 13 and 14 May 2015
- Brisbane – 9 to 12 June 2015
- Darwin – 17 to 19 June 2015

We noted that the departmental officers we observed in the field acted in a professional manner. We did not identify any areas of significant or systemic concern; however, we identified some areas for improvement. We provided a report on our field compliance observations to the department in October 2014.

People detained and later released as lawful non-citizens

Since 2011 the department has provided this office with six-monthly reports on people who were detained then later released from immigration detention, as they were found to be lawful non-citizens. This reporting system replaced irregular reporting in place since 2007.

In the latter part of 2014 we commenced using the Ombudsman's own motion investigation powers to conduct this oversight. We received one report in 2014–15 for the period January to June 2014.

The department reported that 21 people out of a total of 1673 people detained were later released as lawful non-citizens in the period January to June 2014. The main reason people were released from detention as not unlawful was due to notification deficiencies and case-law-affected issues.

For this period we were satisfied with the department's reporting and that detention was not the result of systemic issues or maladministration. We note that the time people spent in detention before errors were identified and they were released has decreased significantly.

Our analysis for the six-month period to December 2014 is not included as that report was not received until September 2015.

Immigration detention reviews

Statutory reporting (two-year review reports)

After a person has been in immigration detention for two years, and every six months thereafter, the Secretary of the Department of Immigration and Border Protection must give the Ombudsman a report under s 486N of the Migration Act relating to the circumstances of the person's detention.

Section 4860 of the Act requires the Ombudsman to give the Minister for Immigration and Border Protection an assessment of the appropriateness of the arrangements for that person's detention. The Ombudsman also provides a de-identified version of the report to the Minister, which is tabled in the Parliament.

In 2014–15 the number of people subject to reporting under s 486 significantly increased from the previous year. By 13 August 2014 some 2000 detainees who had arrived two years prior were due for reporting, and primarily comprised of families in community detention.

Following the policy directive that people in this cohort would not be advantaged by arriving by boat after 13 August 2012, this cohort was liable for transfer to regional processing centres and those who remained in Australia were subject to a bar prohibiting them from having the claims for protection considered or processed.

In anticipation of a 60% increase from August 2014 to 30 June 2015 in the number of individuals subject to reporting, we worked closely with the department to discuss management and reporting strategies in a climate of decreasing resources.

The department implemented a streamlined tabular format listing a schedule of names by boat arrival, and included health and welfare information where available. In response we introduced a new reporting format which allowed for group rather than individual reporting.

Exceptions were made for people with significant health and welfare issues, unaccompanied minors and certain detainees in restricted detention facilities. In these cases the individual reporting format was used.

We continued to conduct interviews, primarily by telephone, with people in long-term detention, including some of those who had arrived after 13 August 2012. Information from this process provided a valuable insight into individual and systemic issues experienced by people in community detention and in the detention centres.

The office received 1188 s 486N reports from the departmental secretary in 2014–2015, compared with 886 reports in 2013–14, 1118 reports in 2012–13 and 683 in 2011–2012. Of these, 967 were individual reports relating to 1575 people, and 221 were presented in tabular schedule formats relating to 2631 people who arrived by boat after 13 August 2014.

We provided 719 reports to the Minister in 2014–15, compared to 666 the previous year. The 719 reports related to 1748 individual detainees. The number of 4860 reports tabled in the Parliament also increased in 2014–15, totalling 767 reports relating to 1689 individual detainees.

Trends and issues raised in the two-year reports include:

- the continued detention (in some cases over five years) of people who have been found to be owed protection, but have received an adverse security clearance

Figure 4 Number of reports tabled by year

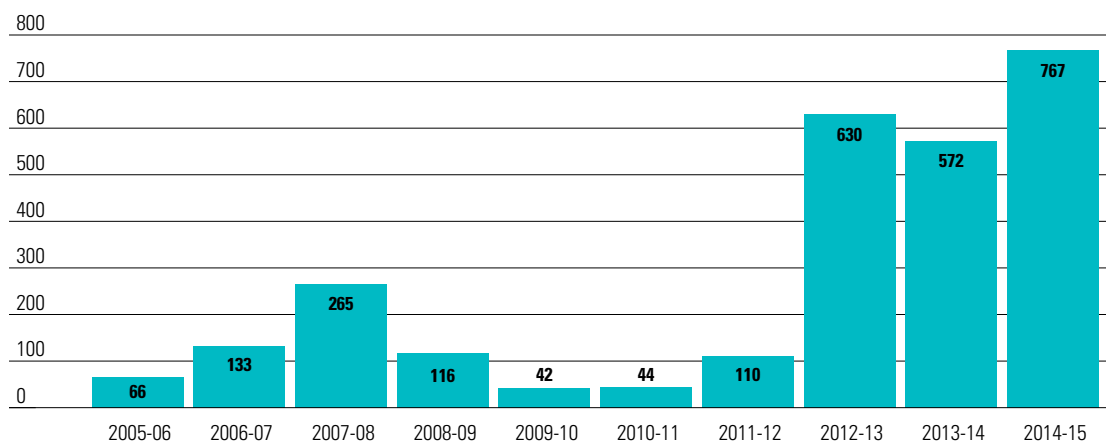
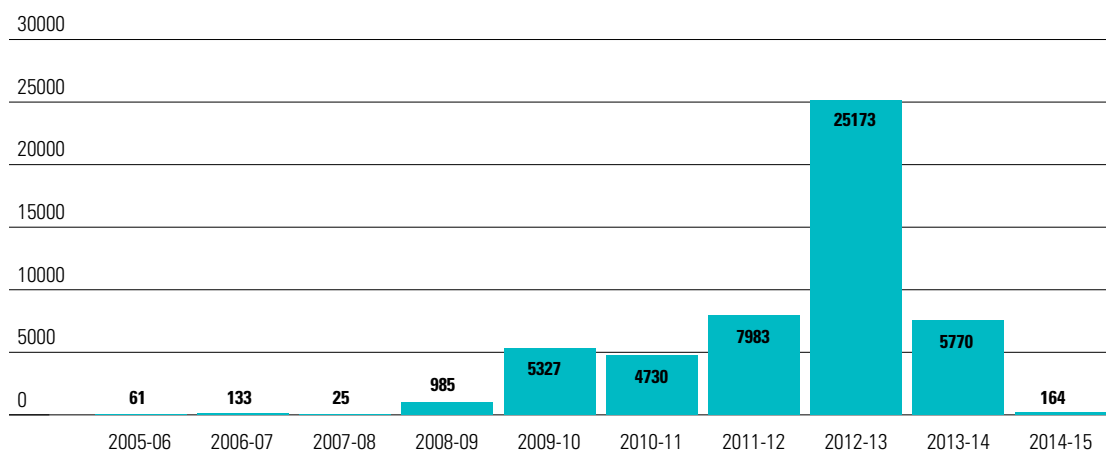


Figure 5 Asylum seeker arrivals by boat for past 10 years



- detainees who have been found to be owed protection, but have been waiting for more than two years for their security clearance
- those who are in the cohort of detainees who have been found not to be owed protection, but are unwilling to return to their home country voluntarily
- placement considerations for individuals to be nearer to family support
- cases where delays in resolving immigration status appear to be a result of administrative drift
- cases where incomplete or inaccurate health records may have adversely affected treatment of detainees
- concerns arising as a result of the mix of the detainee population at certain centres.

Immigration Detention Review and Inspections

The Immigration Ombudsman oversees immigration detention and has done so since the introduction of the role in 2005.

During 2014–15 our team visited the immigration detention facilities listed in Table 9.

During this inspection period a number of detention facilities were closed or no longer used to house detainees. They included the Northern, Curtin and Scherger Immigration Detention Centres and the Aqua/Lilac Compounds, Bladin Point, Construction Camp/Phosphate Hill and Darwin Airport Lodge Alternative Places of Detention.

Table 9 Visits to immigration detention facilities 2014–15

IMMIGRATION DETENTION FACILITY	LOCATION	TIMING
Bladin Point Alternative Place of Detention	Darwin NT	Sep 2014
Brisbane Immigration Transit Accommodation	Brisbane QLD	Nov 2014
Construction Camp and Phosphate Hill Alternative Places of Detention	Christmas Island WA	Aug 2014 Dec 2014
Manus Island Regional Processing Centre	Papua New Guinea	Sep 2014 Apr 2015
Maribyrnong Immigration Detention Centre	Melbourne VIC	Jan 2015 Jun 2015
Melbourne Immigration Transit Accommodation	Melbourne VIC	Jan 2015 Jun 2015
Nauru Regional Processing Centre	Nauru	Feb/Mar 2015
North West Point Immigration Detention Centre	Christmas Island WA	Aug 2014 Dec 2014 Jun 2015
Perth Immigration Detention Centre	Perth WA	Dec 2014
Perth Immigration Residential Housing	Perth WA	Dec 2014
Sydney Immigration Residential Housing	Sydney NSW	Jul 2014 May 2015
Villawood Immigration Detention Centre	Sydney NSW	Jul 2014 May 2015
Wickham Point Immigration Detention Facility	Darwin NT	Sep 2014 May 2015
Yongah Hill Immigration Detention Centre	Northam WA	Aug 2014 Mar 2015

Management of detainee property

During this reporting period we continued to monitor the manner in which detainee property was managed. Complaints relating to the management of detainee property continue to be one of the key complaint areas investigated by this office.

We noted a general improvement across the network with particular points of concern relating to:

- a continued absence of CCTV coverage in most facilities to provide coverage of property recording and storage of in-trust and valuable property
- variable compliance with the respective policies, guidelines and procedures manuals
- poor record keeping that fails to clearly describe the items kept in-trust
- inaccurate or inappropriate recording of valuables
- failure to issue receipts for valuables and/or in-trust property.

As well, property that does not accompany detainees on transfer has a significantly higher risk of being lost or not located at the time of a detainee's discharge or transfer to an offshore processing centre.

Access to mobile telephones in immigration detention facilities

We have continued to note the ongoing inconsistency in the policy applied to detainees regarding access to and carriage of mobile telephones. Illegal maritime arrivals are not permitted to have mobile phones in their possession, while all other categories of detainees are.

This generates confusion in those facilities with a mixed cohort, management challenges when moving illegal maritime arrivals from facilities where they have had access, and supports an active black market.

OVERSEAS STUDENTS OMBUDSMAN

The international education sector is back on a highgrowth trajectory following a major downturn from 2009 to 2011. The Overseas Students Ombudsman (OSO) has been a part of the sector's recovery, established in April 2011 to provide greater consumer protection to overseas students in the private sector, who previously lacked an independent complaints body to hear their complaints and appeals.

We can investigate appeals from students who have a dispute with their private registered education provider. If the provider has not complied with the relevant legislative requirements or its policies, we can recommend the provider to change its decision.

Providers are required to implement our recommendations, which ensures that overseas students have been treated fairly, even if the outcome is not in the student's favour.

We have been operating for four years. In that time we have received more than 2,000 complaints and external appeals from intending, current and former overseas students originating from over 68 countries – more than a third of the 975 private registered providers in our jurisdiction⁴.

Eighty five percent of registered education providers are private and within our jurisdiction. We cover 41.9% of overseas student enrolments across all education sectors from schools to higher education.

Overseas students studying with private providers in our jurisdiction are in the Vocational Education and Training (VET) sector (85.6%) and English Language Intensive Courses for Overseas Students (ELICOS) sector (78.5%).⁵

⁴ According to PRISMS data as at 1 October 2014.

⁵ According to PRISMS data as at 1 March 2015.

Complaint trends and themes

We have experienced a significant increase in complaints and appeals. This may be due to the increasing number of international students studying in Australia⁶ and greater awareness among international students of our role and services.

It may also reflect the growing number of private providers who refer overseas students to our office as an external complaints and appeals body if the student appeals their decision. For all of these reasons, we expect the increase in complaints and appeals to continue into the future.

In 2014–15 we received 689 complaints about private-registered education providers in connection with overseas students. This reflects an increase of 33% from last financial year and follows on from a 14% increase in 2013–14.

We started 238 complaint investigations and completed 239 investigations, compared to 233 investigations started and 244 completed last year. Some investigations commenced in the 2013–14 financial year.

The top four types of complaints the Overseas Students Ombudsman received in 2014–15 reflect the same top four complaint types received each year since we began:

- refunds and fees disputes (237 complaints)
- providers' decisions to refuse a student transfer to another provider under Standard 7 of the National Code (179 complaints/external appeals)
- providers' decisions to report students to the Department of Immigration and Border Protection (DIBP) for failing to meet course progress requirements under Standard 10 (63 complaints/external appeals)
- providers' decisions to report students to DIBP for failing to meet attendance requirements under Standard 11 (61 complaints/external appeals).

Other complaint types include:

- cancellation of enrolment (non-commencement, non-payment of fees, misbehaviour)
- deferrals and temporary suspension of studies
- education agents
- admissions refusals, grades, completion certificates and academic transcripts
- providers' internal complaints and appeals processes.

Some complaints can be investigated and resolved without contacting the education provider to formally investigate. In 2014–15 we closed 441 such complaints, compared to 282 last year, because we:

- formed a view on the basis of the documents provided by the student, or
- referred the student back to their education provider's internal complaints and appeals process, or
- transferred the complaint to another complaint-handling body to deal with the issue more effectively, as provided by s 19ZK of the Act.

⁶ In 2014 the number of international students in Australia increased by more than 10 per cent on 2013 levels. www.pc.gov.au/research/completed/international-education

Table 10 Number of complaints transferred

COMPLAINT BODY	NUMBER OF COMPLAINTS TRANSFERRED IN 2014–15	NUMBER OF COMPLAINTS TRANSFERRED IN 2013–14
Tuition Protection Service (TPS) – complaints about providers' closures and straightforward student default refunds	33	40
Australian Skills Quality Authority (ASQA)	19	34
Office of the Training Advocate, South Australia – complaints about South Australian providers	10	3
Tertiary Education Quality Standards Agency (TEQSA)	3	0
Australian Human Rights Commission (AHRC) – discrimination complaints	0	2
Victorian Registration and Qualifications Authority (VRQA), the Victorian schools regulator – complaints about the quality of a school or under-18 welfare issues	0	1

In 2014–15 we transferred 81 complaint issues arising from 62 complaints to other complaint-handling bodies (compared to 75 last year) including:

Reports to the regulators

The Overseas Students Ombudsman has the power under s 35A of the *Ombudsman Act 1976* to disclose information regarding providers of concern to the national regulators, ASQA and TEQSA.

In 2014–15 we used our power on three occasions to report to ASQA details of complaints where we considered it was in the public interest to advise the national regulator. Last year we reported on five.

On the first two occasions we advised ASQA that we had not formed a view and believed ASQA was better placed to determine if the provider had complied with the legislation applying to Vocational Education and Training (VET) providers.

In the third case we disclosed allegations made in an anonymous complaint to the agencies those allegations related to, including ASQA, the Department of Education and Training, DIBP, the Australian Federal Police and Australia Post.

Once we refer a matter, it is up to the agency to whom we provide the information to decide what regulatory action, if any, it should take. We did not make any disclosures to TEQSA in 2013–14.

Trends and systemic issues

Strategic analysis of our complaints is a key component to identifying systemic issues and trends. The root causes of complaints forms the basis of issues papers that we publish on our website. We did not conduct any own motion investigations in 2014–15 as we were able to use existing complaints data to publish issues papers on the key systemic issues we identified.

Refund complaints and fee disputes (written agreement complaints)

In 2014 we noted the high number of refund complaints and fee disputes we were receiving and the high incidence of non-compliance we were seeing with education providers' written agreements (which include the provider's refund and fee cancellation policies).

After consulting with the sector, we published in March 2015 our Written Agreement Issues Paper and Provider Checklist to help providers ensure they have a compliant written agreement. This helps students understand what can be relied upon when refund and fee disputes arise.

Transfers between education providers (Standard 7)

In February 2015 we presented at the ESOS Reform workshops on the issues we see with providers refusing to release students to allow a transfer to another provider. We also made a submission to the DIBP review of the Streamlined Visa Processing (SVP) arrangements, noting that our office has experienced an increase in provider transfer appeals from students of SVP providers.

Overseas Student Health Cover

In April 2015 we published a summary of the outcomes of the recommendations we made to the Department of Education and Training (DET), DIBP and the Department of Health (DH) in our August 2014 Overseas Student Health Cover (OSHC) issues paper. In response, DIBP produced a fact sheet for education providers, in consultation with DET and DH, outlining providers' responsibilities in relation to arranging OSHC for overseas students, including the importance of ensuring that OSHC begins when the student enters Australia.

DIBP also advised it revised the information it provides to international students when it grants a student visa, to give students clear guidance on the health insurance requirements. The department also published an online blog⁷ directed at prospective and current student visa holders titled 'Did you know you need to have health insurance to study in Australia?' DIBP advised that through cross-promotion on its social media platforms and the Study in Australia (Austrade) website⁸, the blog post achieved considerable international reach.

We have discussed the OSHC issues we identified with the Council for International Students Australia (CISA). We have also invited the Private Health Insurance Ombudsman to participate in our complaint-handlers panel at the 2015 CISA conference, to raise awareness among overseas students of their right to receive their OSHC membership card from their provider (where the provider arranged the OSHC cover) and to complain to the relevant Ombudsman if they experience any problems.

Course progress and attendance monitoring and reporting (Standards 10 and 11)

In May 2015 we published an issues paper on course progress and attendance, outlining the common mistakes we see education providers make in monitoring and reporting on overseas students' course progress and attendance. We also published a fact sheet for overseas students to help them better understand their rights and responsibilities and the OSO's role in investigating external appeals from students about to be reported to DIBP for unsatisfactory course progress or attendance.

We will continue to publish quarterly statistics on our website (www.oso.gov.au) highlighting key issues and trends in complaints from overseas students about private registered providers. In 2015-16 we expect to publish a report looking at the key issues and trends arising from our complaints data over the four years we have been operating.

Stakeholder engagement and best practice overseas student complaint handling

In 2014-15 we published three provider e-newsletters and three student e-newsletters, providing advice and tips on best-practice complaint handling and the key issues we see in our complaints.

We organised a complaint-handlers panel at the CISA national conference in July 2014 and provided training to the new CISA Executive in August 2014. We presented at the IDP Brisbane International Students Expo in August 2014. We also held an information stall at the Australian Federation of International Students (AFIS)/ Study Melbourne international student information days in August 2014 and April 2015.

We were invited to join the Study Melbourne Advisory Network, which brings together a range of stakeholders to discuss emerging issues and identify potential collaborative action to improve the international student experience.

We delivered five national training webinars to education providers around Australia through EA and ACPET on refunds, fee disputes and written agreements; best-practice complaints handling; and attendance monitoring and reporting.

We presented at the ACPET, EA and NEAS national conferences and attended the Australian International Education Conference (AIEC). We presented at six education provider workshops in Sydney, Brisbane, Canberra and Adelaide, organised by ACPET, Study NSW, the International Student Advisors Network of Australia (ISANA), the Independent Schools Council Queensland (ISCO) and the Association of Independent Schools of SA. We also attended the NSW Ombudsman's University Complaint Handlers forum, which includes two private universities in the OSO's jurisdiction.

⁷ Available at www.migrationblog.immi.gov.au

⁸ www.studyinaustralia.gov.au

We delivered three presentations at the DET Education Services for Overseas Students (ESOS) Reform workshops in Canberra in February 2015 on course progress and attendance monitoring; student transfers between providers; and refunds, fee disputes and written agreements. We also participated in the workshop on welfare issues relating to under-18-year-old overseas students.

We also continued to hold regular liaison meetings with ASQA, TEQSA, the TPS, DET and DIBP to discuss issues relating to international education and overseas student complaints.

Preparing for the future

As the international education sector continues to grow, we anticipate a continued increase in complaints and external appeals to the OSO. We have trained additional investigation officers to handle increased numbers of overseas student complaints.

We will continue to address the causes of complaints through a range of means, including providing advice and training to education providers, publishing issues papers on key topics and providing information and tips through our provider and student e-newsletters.

In May 2015 we provided submissions in response to the Australian Government's Draft National Strategy for International Education and the Productivity Commission's study into barriers to services exports.

We note in both submissions that our success in providing complaints and appeals services to intending, current and former overseas students could be extended to additional groups of international students by expanding our jurisdiction.

This could include international students studying on a temporary visa other than a student visa (for example, visitor visa, working holiday maker visa) and students studying with Australian private education providers offshore (transnational education).

DEFENCE FORCE OMBUDSMAN

The office received 545 complaints about Defence agencies in 2014–15, compared with 518 in the previous year. Defence agencies include the Australian Defence Force (ADF) and cadets, the Department of Veterans' Affairs (DVA), the Defence Housing Authority, as well as the Department of Defence (Defence).

Complaints from serving or former members of the ADF are investigated by the Defence Force Ombudsman. Complaints typically involve ADF employment-related matters including:

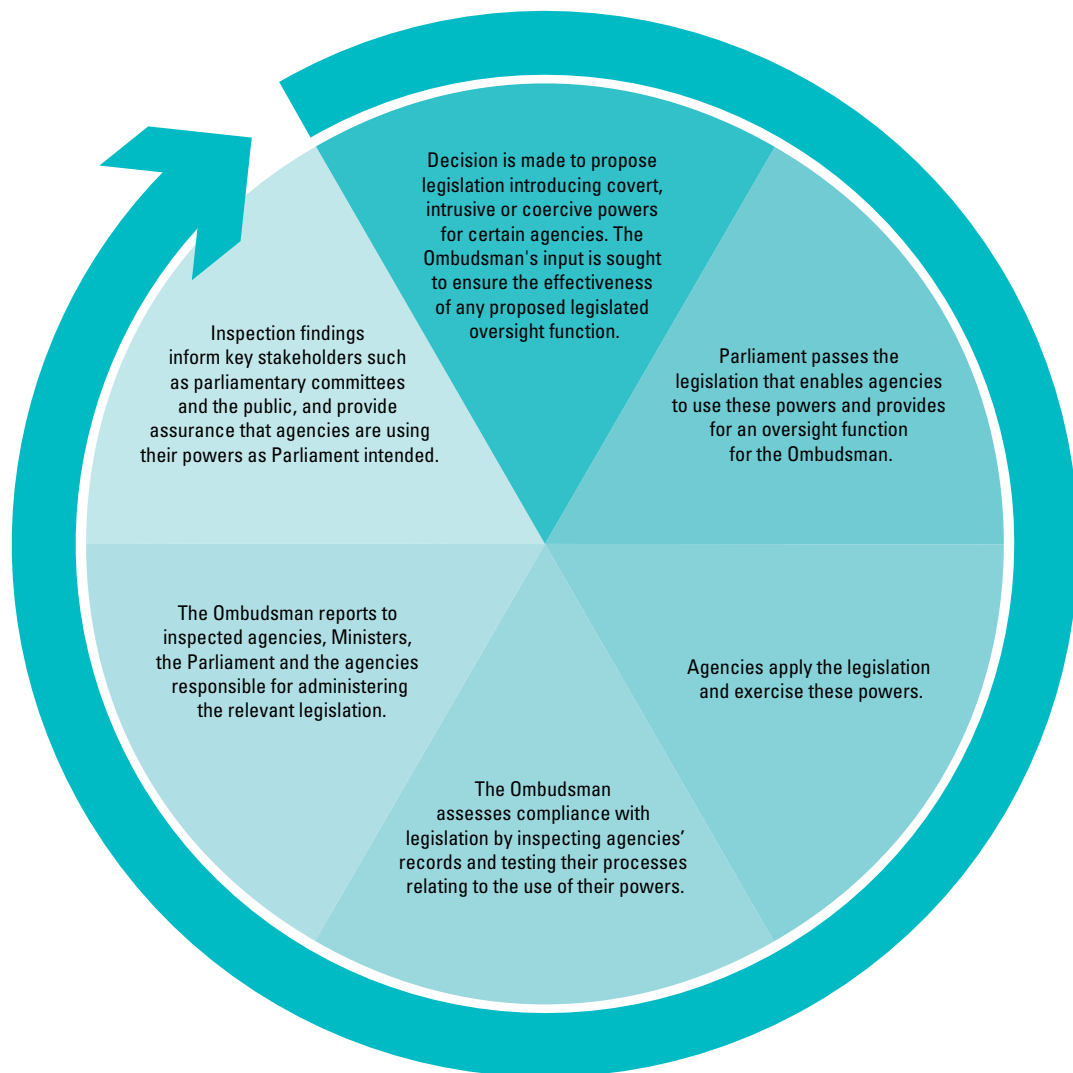
- pay and conditions
- entitlements and benefits
- promotions
- discharge.

Defence-related complaints from members of the public are investigated under the Commonwealth Ombudsman jurisdiction. Typically, these matters involve recruitment and the impact of military base activities on members of the public.

We may consider specific requests from Defence to undertake complex or sensitive investigations using the Ombudsman's own motion powers. One such investigation was undertaken by the Ombudsman this year.

INSPECTIONS OF COVERT, INTRUSIVE OR COERCIVE POWERS

Figure 6 The independent oversight process



Our oversight activities

The table below gives an overview of our inspection activities in 2014–15.

Table 11 Overview of inspection activities

FUNCTION	NUMBER OF INSPECTIONS AND REVIEWS IN 2014–15	NUMBER OF INSPECTION REPORTS 2014–15 (FINALISED INTERNAL REPORTS TO INSPECTED AGENCIES AND STATUTORY REPORTS TO MINISTERS AND THE PARLIAMENT FOR 2014–15)
Inspection of telecommunications interception records under the <i>Telecommunications (Interception and Access) Act 1979</i>	6	6
Inspection of stored communications – preservation and access records under the <i>Telecommunications (Interception and Access) Act 1979</i>	20	17
Inspection of the use of surveillance devices under the <i>Surveillance Devices Act 2004</i>	9	11
Inspection of controlled operations conducted under Part 1AB of the <i>Crimes Act 1914</i>	5	6
Review of Fair Work Building and Construction's use of its coercive examination powers under the <i>Fair Work (Building Industry) Act 2012</i>	10	1
Total	52	44

In addition to our inspection and review activities, in 2014–15 we made four submissions to parliamentary committees and inquiries. Our contribution to these public debates was informed by inspection and review findings. We also regularly responded to requests from agencies for advice about best practices, and requests from other oversight bodies for advice about developing inspection methodologies.

Our approach

We value independence, fairness and transparency. These values support the way we conduct our inspection and reviews and how we engage with the agencies we oversight.

For each inspection and review function we perform, we develop a set of methodologies that we apply consistently across all agencies. These methodologies comprise test plans, risk registers, checklists and templates. They are based on legislative requirements and best-practice standards in auditing, and ensure the integrity of each inspection and review.

We focus our inspections and reviews on areas of high risk and take into consideration the impact of non-compliance; for example, unnecessary privacy intrusion. It is also our practice to regularly review our methodologies to ensure their effectiveness.

We also give required notice to each agency of our intention to inspect their records and provide them with a broad outline of our inspection or review criteria.

To ensure procedural fairness we provide a draft report on our findings to the agency for comment before it is finalised. Depending on our reporting requirements under each function, the finalised report is either presented to the relevant minister or forms the basis of our published reports.

They also inform any briefings we prepare for parliamentary committees. For our published reports, we remove reference to any sensitive information that could undermine or compromise law enforcement.

New oversight function for 2015–16

On 13 October 2015 new laws will come into effect requiring the telecommunications industry to retain certain data (associated with its services) for a mandatory period. Certain law enforcement agencies are able to request such data for investigative purposes, and under the new laws there will be greater certainty as to what type of data will be available and for how long.

A number of important safeguards will be introduced alongside the new mandatory data-retention requirements:

1. The Commonwealth Ombudsman will conduct inspections of enforcement agencies to assess compliance with the laws governing access to such data under Chapter 4 of the *Telecommunications (Interception and Access Act) 1979*.
2. The number of agencies who may access this data will be restricted.
3. Requests for journalists' data will require a warrant (unlike other requests which can be internally issued).

The new inspection function extends the Ombudsman's current oversight of the *Telecommunications (Interception and Access Act) 1979* under Chapter 2 (telecommunications interception) and Chapter 3 (stored communications access).

Before Parliament passed the new laws, our office worked closely with the Attorney-General's Department in drafting the relevant legislation regarding our role. As a result, we are confident that the Ombudsman's legislated functions and powers are sufficient to provide public assurance that agencies are using their powers as Parliament intended.

We will also use our expertise and experiences gained in our other oversight activities to ensure robust oversight. Our first report on the results of these inspections will be tabled in the Parliament in late 2016.

LAW ENFORCEMENT OMBUDSMAN

When performing functions in relation to the Australian Federal Police (AFP), the Ombudsman may also be called the Law Enforcement Ombudsman. We have a comprehensive role in the oversight of the AFP, in addition to our inspections of its use of covert powers, which includes:

- investigating complaints about the AFP
- receiving mandatory notifications from the AFP regarding complaints about serious misconduct involving AFP members, under the *Australian Federal Police Act 1979* (AFP Act)
- annual statutory reviews of the AFP's administration of Part V of the AFP Act.

In 2014–15 we received 288 complaints about the AFP, compared to 227 in 2013–14. Of these we investigated 28. We conducted two reviews of the AFP's administration of Part V of the AFP Act and published one report on the results of those reviews.

We also regularly engaged with the Professional Standards area of the AFP in relation to integrity awareness and education, including participating in recruit training programs.

PUBLIC INTEREST DISCLOSURE

Commencing on 15 January 2014 the *Public Interest Disclosure Act 2013* provides a mechanism for current and former public officials of Australian Government agencies to lawfully report suspected wrongdoing that impacts on public administration.

The PID Act provides disclosers with immunities from the criminal and civil consequences of disclosure when made in accordance with the scheme. In addition, the Act mandates protection from reprisal action that may occur as a result of making a disclosure.

This is the first comprehensive disclosure-protection scheme for current and former public officials belonging to Australian Government agencies.

The Commonwealth Ombudsman and the Inspector-General of Intelligence and Security (IGIS) have an oversight and awareness-raising role under the Act.

Last year our annual report focused on the period leading up to the commencement of the PID Act and made observations about its operation in the first five-and-a-half months. The Ombudsman has now had a full 12 months of operational experience with the scheme.

During this time, and in conjunction with IGIS, we have observed and oversighted its operation in the 190 agencies it covered for the reporting period. With the PID Act placing responsibility on Australian Government agencies to have procedures in place to proactively manage, investigate and take action in relation to disclosures, and to support and protect public officials from reprisal action as a result of a disclosure being made, we have actively supported agencies and officials to meet these obligations in the reporting period.

Overview of the Public Interest Disclosure scheme

The PID scheme aims to promote integrity and accountability within the Commonwealth public sector by:

- placing responsibility on Australian Government agencies to proactively manage public interest disclosure issues
- encouraging and facilitating disclosure of suspected wrongdoing in the public sector
- ensuring that public officials who make public interest disclosures are supported and protected from adverse consequences
- ensuring that disclosures by public officials are properly investigated and dealt with.

Under the Act, responsibility rests with agencies to ensure that suspected wrongdoing is appropriately investigated and, to the extent possible, resolved.

It requires that agencies effectively facilitate reporting of wrongdoing; receive, allocate and investigate PIDs; support and protect disclosers; and comply with a set of notification and reporting requirements.

OVERVIEW OF THE PID SCHEME

INTERNAL PIDS MANAGED BY AGENCIES

- Clear organisational commitment to the PID scheme
- Facilitating reporting – focus on internal reporting and handling of disclosures
- Allocating and investigating PIDs
- Support and protection for disclosers
- Notifications and reporting to the Ombudsman or IGIS

PROTECTIONS

- Immunity from liability for making the disclosure
- Offence for a person to take, or threaten to take, reprisal action
- Recourse to court for remedy if reprisal action taken, including compensation, reinstatement of position, injunctions, apologies and other orders
- However, disclosers are not protected from their own wrongdoing

OVERSIGHT BY THE OMBUDSMAN AND IGIS

- Providing assistance, education and awareness
- Receiving, allocating and investigating PIDs
- Receiving notifications and making decisions on extensions of time
- Determining PID standards
- Preparing annual reports
- Investigating under the Ombudsman Act and IGIS Act

Role of the Ombudsman

The PID Act identifies a number of roles for the Ombudsman including:

- setting standards relating to:
 - » procedures for principal officers of agencies to follow when dealing with internal disclosures
 - » conducting investigations under the Act
 - » preparing reports of investigations under the Act
 - » agencies providing information and assistance to the Ombudsman
 - » keeping records.
- providing assistance to principal officers, authorised officers, public officials former public officials and IGIS
- conducting awareness and education programs for agencies and public officials
- receiving, allocating and investigating disclosures about other agencies
- receiving notifications of allocations and decisions not to investigate, or not investigate further
- determining extensions of time for the investigation of disclosures, following requests from agencies and informing disclosers of our decision where we have decided to grant an extension
- reporting annually to the Minister for tabling of the report in the Parliament on the operation of the scheme.

The Ombudsman can also investigate complaints concerning an agency's investigation of a PID and conduct own motion investigations under the Ombudsman Act. The Ombudsman is also required to handle disclosures made about its own former and current public officials.

Role of the Inspector-General of Intelligence and Security

IGIS performs a similar role to the Ombudsman in respect of the six intelligence agencies that are prescribed under the *Inspector-General of Intelligence and Security Act 1986*. These roles include:

- providing assistance to principal officers, authorised officers, public officials, former public officials and the Ombudsman
- conducting awareness and education programs for intelligence agencies and their public officials
- receiving, allocating and investigating disclosures about intelligence agencies
- receiving notifications of allocations and decisions not to investigate, or not investigate further in relation to the intelligence agencies
- determining extensions of time for the investigation of disclosures by the intelligence agencies.

Role of agencies

Agencies play a central role in the operation of the PID Act and its ongoing success. The Act requires that principal officers of agencies fulfil a number of key obligations including:

- establishing procedures for facilitating and dealing with disclosures, including assessing risks that reprisals may be taken against the discloser and providing for confidentiality of the investigative process
- taking reasonable steps to protect public officials who belong to their agency from detriment or threats of detriment
- ensuring the number of authorised officers are readily accessible and that public officials who belong to their agency are aware of the identity of each authorised officer within their agency
- ensuring appropriate action is taken in response to recommendations, or other matters raised, following a disclosure investigation report.

It is only through strong agency commitment that public officials will have the confidence to trust and use the scheme and make disclosures.

Many of the agencies to which the Act applies are Commonwealth agencies that operate under the Australian Public Service (APS) framework and are familiar with the responsibilities and accountability mechanisms associated with it.

However, the Act also applies to many small authorities, committees and Commonwealth companies that have a separate legal identity, but obtain many of their resources, such as staff, from a larger agency.

As we noted in last year's Annual Report, some of these smaller agencies initially struggled with some aspects of implementation of the PID scheme. However, it is pleasing to note that many proactively sought to manage these issues by requesting our assistance. Our communities of practice also give smaller agencies the opportunity to learn from the experiences of other Commonwealth PID practitioners.

Initially we noted some feedback from a number of agencies that while there may have been some initial doubts regarding the value of the PID scheme, events have shown that the scheme has been instrumental in the disclosure of important information that may not have otherwise come to light. This has been acknowledged by senior managers as having been beneficial to the administration of their agency.

The PID landscape

Section 76(1) of the PID Act requires the Ombudsman to prepare a report on the operation of the Act during the financial year. To collect information on the operation of the Act, and in conjunction with IGIS, we asked all PID agencies to complete a survey on their activities under the Act during the 2014–15 financial year.⁹

We would like to acknowledge the assistance provided by these agencies in completing this survey, the results of which have provided invaluable information for the first full year of operation of the PID scheme.

Types of disclosures

A total of 639 PIDs were reported as being received in the reporting period, with 58 of 185 agencies¹⁰ receiving one or more PIDs.

The matters we have categorised as PIDs are those disclosures that met the threshold requirements for the information to be an internal disclosure in accordance with s 26 of the PID Act, including satisfying at least one of a number of categories of 'disclosable conduct' under s 29.

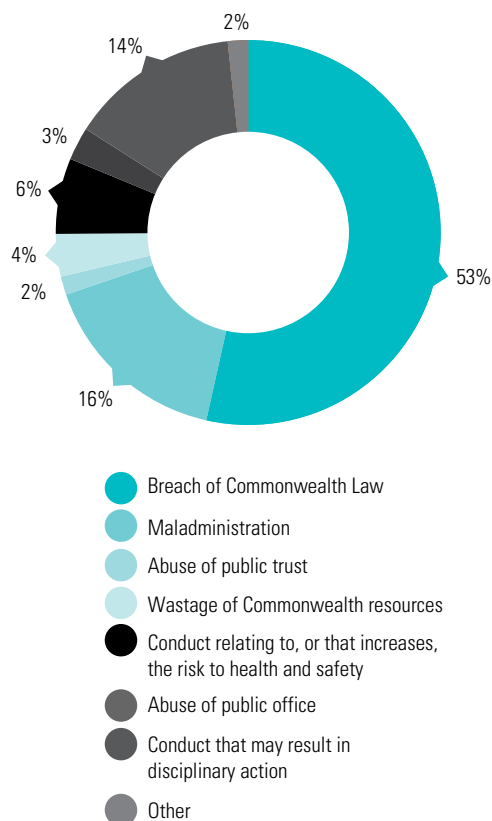
Figure 7 details the kinds of disclosable conduct contained within the PIDs reported as being received. It should be noted that one PID may contain allegations relating to more than one kind of disclosable conduct.

Furthermore, the data in Figure 7 reflects the information provided by the discloser and identified by agencies during the assessment process, rather than the result of any investigation. It should also be noted that not all PIDs will result in an investigation.

⁹ Information was obtained from the survey responses of 178 agencies, including a consolidated response from the intelligence agencies.

¹⁰ These figure include the Ombudsman, IGIS and the consolidated response from the six intelligence agencies.

Figure 7 Kinds of disclosable conduct within PIDs



Just over half of the disclosures were classified by agencies as allegations about conduct that could amount to a contravention of a law of the Commonwealth, state or territory.

This is a broad category that can incorporate wrongdoing in the other categories, including maladministration or a breach of the Code of Conduct under the *Public Service Act 1999*. Code of Conduct disclosures could range from incorrectly recording hours of attendance on a flex sheet to other more serious matters.

A disclosure that alleges a contravention of a law does not frequently relate to criminal behaviour, although as we note later in this report, 20 PID investigations completed by agencies in the reporting period recommended a referral to the police.¹¹

Consistent with last year's figures, agencies that reported the most disclosures were the Department of Defence, with 370 disclosures, and the Department of Immigration and Border Protection (DIBP), with 40.

Both these agencies have a large number of public officials. Defence includes departmental staff, members of the Australian Defence Force (ADF), reservists and cadets. DIBP includes a large number of contracted service providers.

Some of the largest Commonwealth agencies reported receiving very low numbers of PIDs. While this may seem like a positive result, we have often expressed the view in relation to the Ombudsman's general complaints function that low numbers of complaints do not necessarily lead to a conclusion that there are no issues of concern for the agency to address.

Similarly, low PID numbers may relate to such things as a lack of information about an agency's PID scheme or accessibility of an agency's authorised officers, or in broader terms indicate an agency culture that complaint information is not a valuable resource for improving performance.

Consequently, high figures of reported PIDs may be attributed to the knowledge of staff in relation to the PID Act and proactive steps taken by agencies to successfully implement the PID scheme, such as the placement of an accessible network of authorised officers and well informed supervisors; or a culture where speaking up about wrongdoing is exemplified by management.

¹¹ Table 15

Types of disclosers

Of the 58 agencies that received PIDs in the period, 54 recorded information about the types of individual disclosers¹². Based on this information as provided by agencies, 643 individual disclosers submitted information that was assessed as a PID¹³.

Seventy four percent of the disclosers were current public officials, 8% were former officials and 18% percent were taken to be (deemed) public officials. Of the public officials making PIDs, agencies reported that approximately 2% were contracted service providers.

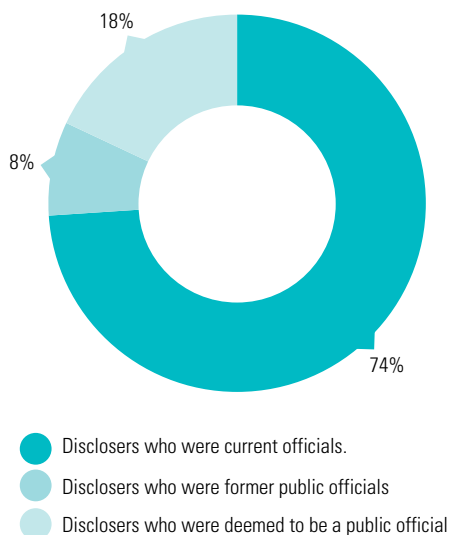
The percentage of disclosures made by persons deemed to be a public official (18%) was markedly higher in 2014–15 than in 2013–14 (11%). A significant proportion of those 'deemed' public officials are likely to have made anonymous disclosures, and the deeming decision would have been based on the fact that the person receiving the disclosure could not confirm whether the person was in fact a public official.

In other cases the discloser will have gained 'inside information' by virtue of their close connection with an agency, through a personal relationship with an employee, or as a volunteer, or an employee in a grant-funded organisation. A decision to deem a potential discloser as a public official so that their information can be investigated is consistent with the spirit of the PID Act.

Ten agencies recorded the instances where a PID was made by a person who was a public official by virtue of being a contracted service provider or an employee/staff member of a contracted service provider.

Figure 8 represents a breakdown of the types of disclosers¹⁴.

Figure 8 Types of disclosers whose disclosure was assessed as a PID



Disclosures that did not meet the PID Act requirements

Forty-eight agencies reported that they had recorded the number of disclosures that were assessed as not meeting the threshold requirements for their information to be considered an internal PID. The total figure of 520 disclosures were reported in this category. Figure 9 summarises the reasons the disclosures were determined not to meet the PID threshold.¹⁵

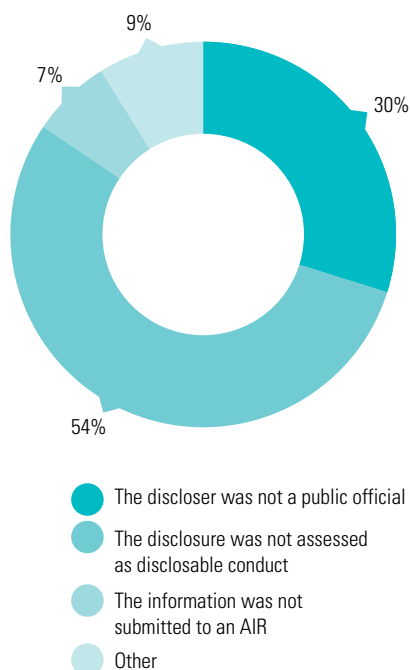
¹² Two agencies were unable to report on the number of disclosers as the information had been de-identified to the state that this was not possible. A further three agencies reported that they did not record information on the types of individual disclosers.

¹³ These figures do not take into account duplication that may be caused by disclosers having made PIDs to more than one agency

¹⁴ Note that in two instances agencies over-reported on the number of instances where a discloser was deemed to have been a public official.

¹⁵ Note that there may be more than one reason why an individual disclosure was not assessed as a PID.

Figure 9 Reasons for a disclosure not meeting the PID threshold



In considering the above figures, it should be noted that there are essentially three criteria that need to be considered when determining whether a disclosure meets the threshold to be considered a PID. They are:

- the disclosure is made by a person who is or has been a public official
- the recipient is an authorised internal recipient
- the information tends to show, or the discloser believes on reasonable grounds that the information tends to show, one or more instances of disclosable conduct, engaged in by an agency, contracted service provider or official (as those terms are defined by the PID Act).

Nonetheless, agencies indicated in 9% of matters other reasons existed for not meeting the threshold test. This means there may still be a number of instances where irrelevant considerations are leading to incorrect decisions regarding the classification of a disclosure as a PID.

This is an issue we will consider further in the coming year, together with looking at large agencies that have reported very low numbers of PIDs.

Where a decision has been made not to allocate a disclosure because it does not meet the threshold criteria for an internal PID, agencies are required to inform the discloser of the reasons the matter was not allocated and alternative avenues to have their matter dealt with.

All agencies should therefore be capturing this information, and recording it in a readily accessible form, in order to be able to report on it and thus properly reflect the resources devoted to receiving and assessing matters under the Act.

We also consider that the practice of recording all such approaches, and the reasons that some are not considered to be PIDs, can be a valuable source of information for individual agencies.

This information can help agencies ensure their authorised officers are complying with the requirements of the Act. Additionally, over time the data may highlight misunderstandings with certain aspects of the Act and identify future training and guidance needs.

Recording disclosures through external contractors

We note that some agencies reported using systems for the reporting of wrongdoing that engage the services of external contractors who are not authorised officers under the Act. In most instances these systems were established before the implementation of the PID scheme, and already an important tool for the agency in its integrity processes and in identifying and reporting wrongdoing.

Reports through these channels do not meet the requirements of a PID, primarily because the contracted personnel are not authorised officers or supervisors of the agency. Nonetheless, some agencies have adopted a practice of assessing all such reports against the criteria for a PID under the Act, and referring those that appear to identify disclosable conduct to an authorised officer.

This practice may result in some agencies reporting higher than required numbers of matters assessed as potential PID approaches. It nonetheless reflects agencies' willingness to act in the spirit of the Act.

PID investigations

There are four ways in which a PID can be handled after allocation:

- Not be investigated (or not be investigated further) for one of the reasons in s 48 of the Act
- Be investigated under a separate investigative power (Ombudsman and IGIS only)
- Be investigated with findings regarding the disclosable conduct, with or without consequent recommendations
- Be investigated considering s 47(3) of the Act and an investigation under another Commonwealth law be recommended.

The last two of these approaches are required to be completed in compliance with s 51 of the Act, resulting in a report under that section.

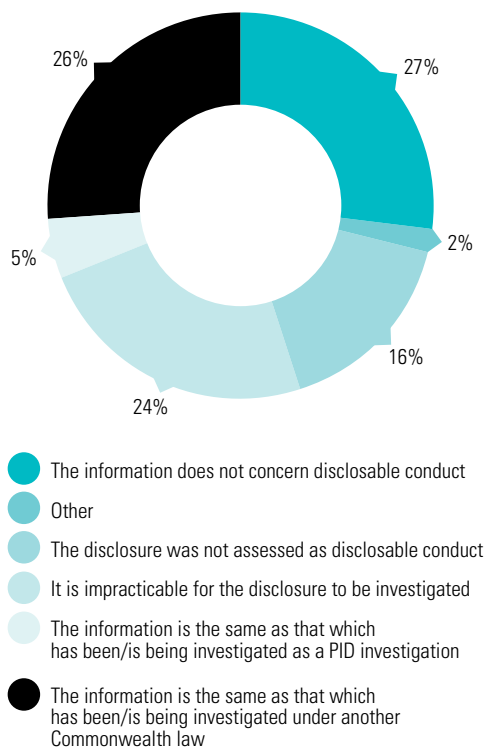
During the reporting period 41 agencies reported that they conducted 386 investigations. These agencies further reported that in 99 of those investigations, a finding of disclosable conduct was made.

Matters not investigated (s 48)

There were 235 instances where agencies decided not to investigate disclosable conduct (or investigate further) based on a reason contained in s 48 of the Act.¹⁶

As can be seen from Figure 10, the most commonly used reasons were that the information did not concern serious disclosable conduct (27%); that the information was being, or had been, investigated under another Commonwealth Law (26%); or that the discloser did not wish to pursue the matter (16%).

Figure 10 Reasons for not investigating



What these figures tend to show is that a number of disclosures did not concern serious disclosable conduct.

As we noted in last year's report, there was a tendency for agencies to apply the test of seriousness as part of the initial assessment of whether the matter met the threshold of a PID.

These figures show that this test is being applied in many instances at the correct point in the process; that is, after the matter has been allocated for investigation.

¹⁶ Noting that there may be more than one reason for not investigating a PID, or an instance of disclosable conduct contained in a PID.

Nonetheless, enquiries to our office indicate that many agencies are still considering the 'seriousness' of the disclosable conduct in the initial assessment phase.

The 24% of instances where it was impracticable for the disclosure to be investigated were made up as follows:

- The discloser's name and contact details were not disclosed (17 instances)
- The discloser did not, or had been unable to, assist the investigation (32 instances)
- The information provided was too old (12 instances).

It is interesting to note that there are only 17 instances reported where the non-disclosure of the discloser's details made it impracticable to investigate. This number is small in comparison to the data we collected from allocation notifications, which showed 140 PIDs were allocated where some form of anonymity was applied.

This ranged from complete anonymity to the use of an alias and provision of contact information. This means that anonymity has not provided a barrier to investigation in many instances.

Many agencies did not make a distinction in their recording between matters that had been investigated under another law of the Commonwealth or those that were being currently investigated.

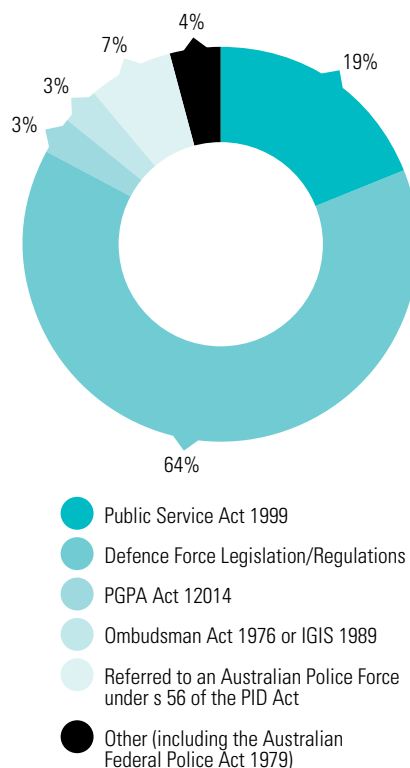
What is important to note is that this reason for ceasing an investigation is only available where the conduct has been or is being investigated, and not where another kind of investigation is considered to be more appropriate. In the last case the consideration of an investigation under another Commonwealth law in the circumstances described below is applicable.

Consideration of an investigation under another law of the Commonwealth (s 47(3))

Section 47(3) of the Act enables an investigator to consider whether a different investigation should be conducted under another law of the Commonwealth.

Such considerations should be recorded in an investigation report after the substance and merits of the disclosable conduct have been considered. Figure 11 summarises the different investigations considered and recommended in PID investigations.

Figure 11 Types of investigations recommended having considered s 47(3) of the PID Act



Based on the information provided, there were 266 instances where consideration was given to investigating under another Commonwealth law. The three most common areas were:

- Defence Force legislation (169, 64%)
- *Public Service Act 1999* (50, 19%)
- reference to an Australian police force under s 56 of the PID Act (20, 8%).

These figures support our view that the PID scheme provides an entry point for information relating to wrongdoing to be received, without limiting the range of options available for the investigation of this information.

So long as agencies have given consideration to the substance and merits of the information being disclosed, it is appropriate for agencies to use the PID process to recommend investigations such as those provided for by specific legislation, or the criminal law.

We note that the high figures for Defence relate to the broad spectrum of officials covered by the PID Act in that agency, including ADF personnel.

Completed investigations

Figure 12 details the kinds of disclosable conduct found to have been engaged in as a result of PID investigations. Of the 41 agencies that completed investigations, four did not record the details of the disclosable conduct that was found.

Action taken in response to investigation recommendations

The Public Interest Disclosure Standard 2013 requires agencies to provide certain information to the Ombudsman including the:

- number of PIDs received during the year
- kinds of disclosable conduct in those PIDs
- number of PID investigations completed
- action 'taken during the relevant financial year in response to recommendations in reports relating to disclosure investigations'

Figure 12 Findings of disclosable conduct¹⁷

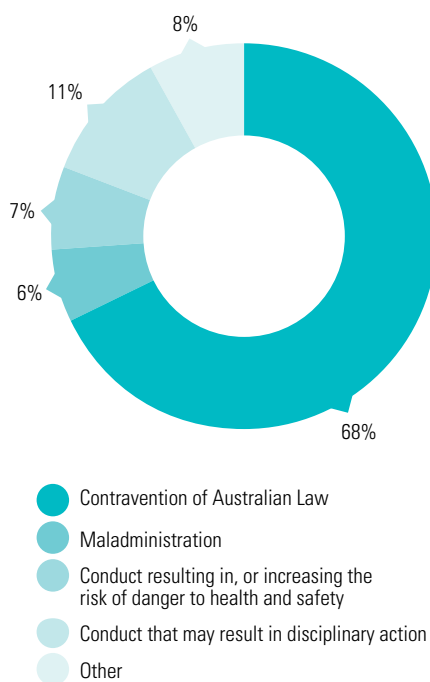


Table 15 summarises the information that agencies provided about the actions taken in response to the recommendations in PID reports.

As noted above, s 47(3) of the PID Act enables an investigator to consider whether a different investigation should be conducted under another law of the Commonwealth. This consideration can result in a recommendation that another investigation take place.

¹⁷ Note that 'other' refers to the categories of disclosable conduct that encompass the grounds relating to perverting the course of justice, abuse of public trust, misconduct in relation to scientific research, abuse of public office and wastage of Commonwealth resources.

The data in Table 15 includes the data from agencies where such a recommendation was made and the action taken in response. In many instances the action consists of instigating the further investigation as recommended in the investigation report. As a general rule, in such circumstances we would consider this to be appropriate action.

Agency promotion of PID

The promotion of the PID scheme can take many forms. However, the PID Act imposes specific obligations on principal officers to establish procedures for facilitating and dealing with PIDs relating to the agency.

Based on the agency responses, 154 (86%) agencies reported that they have PID policies and procedures in place, with 104 (68%) of those agencies having their policies and procedures available on their external websites.

The availability of information on the internet is important as it may be the main source of PID information for former public officials and, in some cases, contracted service providers.

One hundred and fifty-two (85%) of agencies reported that they had conducted PID awareness raising or training with staff, which most commonly involved:

- information on agency website pages and intranet sites
- inclusion of PID scheme information in staff training and induction materials
- staff emails or circulars.

Forty nine agencies (27.5%) reported that they had engaged in awareness raising or training with contracted service providers, with the types of activities engaged in including:

- information included as part of procurement or contracting materials
- training and induction materials
- information on the internet and/or the agency intranet.

Ninety-three agencies reported not engaging in awareness raising or training activities for contracted service providers, while 10 agencies reported that it was not applicable to them.

Agencies reported the following kinds of PID awareness training for staff:

Table 12 Promotion of the PID scheme

TYPE OF PROMOTION OF PID	NUMBER OF AGENCIES REPORTING ENGAGING IN PROMOTION
Agency has PID policies and procedures	154
Agency has PID policies and procedures on external website	104
Agency provides awareness raising or training with staff	152
Agency provides awareness raising or training to contracted service providers	49

In considering the agency responses, we noted that some of the biggest users of contracted service providers did not indicate in their surveys that they conducted PID awareness raising or training with contracted service providers.

Complaints to the Ombudsman and IGIS

Under s 76(2)(b) of the PID Act the Ombudsman's report must contain a statement about the number and nature of complaints made to the Ombudsman during the reporting period about the conduct of agencies in relation to PIDs.

Anyone affected by action taken by an agency in relation to a PID, or suspected PID, can make a complaint to our office, or the IGIS in relation to the intelligence agencies.

Investigations of such complaints are conducted under the *Ombudsman Act 1976* or the *Inspector-General of Intelligence and Security Act 1986*.

Generally, before the Ombudsman or IGIS investigate the complaint, an agency would have completed its investigation.

In the reporting period we received 53 complaints about agencies' handling of PIDs. Predominantly complaints to us were made by a discloser at the conclusion of a PID either following a decision under s 48 of the Act not to investigate or investigate further, or upon receipt of the investigation report under s 51 of the Act.

The key issues identified in complaints were:

- failure to keep discloser informed or a delay in completing the investigation
- dissatisfaction with outcome of the PID investigation for reasons that included:
 - » the investigation process was flawed because of a conflict of interest
 - » insufficient enquiries were made including failure to interview the discloser or key witnesses
 - » the investigator reached the wrong conclusion based on the evidence
- decision not to investigate for one of the reasons in s 48 of the PID Act
- decision not to treat a matter as a PID
- reprisal action
- breach of confidentiality.

We made comments or suggestions in relation to two complaints that we investigated where we considered shortcomings had been identified or there was scope for agencies to improve their administrative practices. These shortcomings were acknowledged by the agencies concerned and steps taken to remedy the matters identified.

IGIS received no complaints about the handling of PIDs received by the intelligence agencies in the period. However, IGIS did report receiving a complaint that arose as a consequence of a PID investigation that was investigated under the *Inspector-General of Intelligence and Security Act 1986*.

Complaints about reprisal

We have noted a trend in complaints relating to allegations of reprisal action. While a discloser's remedies in relation to reprisal lie with the courts, we focus on the public administration aspects of reprisal risk assessment and mitigation, and any systemic issues that might become apparent.

We investigate complaints about reprisal by examining an agency's internal procedures relating to assessing and addressing reprisal risk, and any evidence of the risk assessment carried out at the time of the allocation of the disclosure.

We are likely to look at the documented procedures an agency has in place, how an agency has supported a discloser and how any wider workplace conflict or safety issues have been assessed and addressed.

At the conclusion of an investigation the Ombudsman may comment on whether actions that an agency has taken in a particular instance are fair and reasonable, and may make recommendations in relation to particular matters.

We have also identified a trend for some disclosers who are disappointed with the outcome of a PID investigation to make complaints about alleged reprisal actions.

In some instances disclosers may also make an internal disclosure to the Ombudsman about conduct of the agency in connection with the handling of their PID. These allegations usually revolve around issues of maladministration of the PID scheme.

When these matters arise we have investigated under the Ombudsman Act in the context of a complaint. We have, however, identified this as an area for potential misuse by disclosers seeking to re-agitate issues that have already been dealt with by the agency and/or the Ombudsman.

Managing discloser expectations

The PID Act obliges agencies to communicate certain information to disclosers throughout the allocation and investigation processes.

We have continued to receive complaints from disclosers that they have not been kept informed of the progress of the investigation of their disclosure; in particular, where an investigation has been completed in accordance with s 52 of the Act within the 90 days (or further period of time as extended by the Ombudsman or IGIS), but the discloser has not yet received a copy of the report.

This arises because, under the Act, a disclosure investigation is 'completed' when the principal officer has prepared the report. However, a further period is required to prepare the copy for the discloser including any redactions permitted by the Act.

In those instances agencies are encouraged to manage a discloser's expectations by communicating that the report has been prepared and the expected timeframe in which

the discloser can receive a copy, as well as the reasons for the additional time.

The Act requires the report to be given to the discloser within a reasonable period after it has been prepared. This period will depend on the length and nature of the report and redactions that might be required. However, it would normally be expected that this could be completed within 14 days.

We have continued to give feedback to agencies centred on improving communication with the discloser and managing expectations.

Complaints are a valuable source of information for the office in exercising its oversight and awareness functions as illustrated by the following case study:

The discloser contacted the Ombudsman after the 90-day period for finalising an investigation under s 52 of the Act had passed. Before the discloser contacted us she had contacted the agency to ask whether the investigation had been finalised and whether she would be able to receive a copy of the s 51 report.

The agency had not replied and had not provided the discloser with an update or explanation of the delay.

Agencies are required to notify the Ombudsman upon allocation of a disclosure for investigation and to request an extension of time if the investigation is not completed within 90 days, although failure to obtain an extension of time from the Ombudsman does not invalidate the investigation.

Upon examination of our notification records for the agency in question, it was clear that the time had expired for completing the investigation, and the agency had not contacted us to request an extension.

Our investigation confirmed that the agency had not notified the discloser of the estimated timeframe for the investigation as required by the Act, nor had it completed the investigation with 90 days.

Our enquiries also identified a number of issues around delegation of the principal officer's investigation powers, as well as a failure to record that any risk assessment had been carried out when the PID was allocated.

We identified that in the circumstances there was a clear risk to the agency that the discloser would have grounds to support an external disclosure being made, on the basis that the investigation had not been completed within the time required.

As a result of the complaint and our enquiries the agency undertook to review its procedures and implemented a comprehensive risk-assessment tool for use by authorised officers. As part of its review we met with the agency and reviewed its procedures.

A copy of the report was eventually provided to the discloser, although some six months after it was allocated.

Issues arising from the interpretation of the PID Act

Application of the Act to contracted service providers

Enquiries to our office indicate uncertainty about the application of the Act to organisations in receipt of grant funding administered under a contract with an agency.

While each contract must be assessed on its own terms, if necessary with the assistance of legal advice, we take the view that as a general principle an organisation that is party to a contract that prescribes the terms for grant funding is not a contracted service provider for the purposes of the PID Act.

Consequently, their officers and employees are not public officials and their actions cannot be disclosable conduct under the Act, nor are their disclosures covered by the Act.

The fact that the Act may not apply to conduct on the part of recipients of grant funding does not mean agencies should not have systems in place to collect information that might be relevant to the conditions and administration of grants.

As a significant aspect of the Act relates to protecting disclosers, it is important that agencies consider other ways of protecting and supporting individuals who may be important sources of information about how funded organisations are meeting their obligations.

It is also important that agencies assist potential disclosers by identifying other appropriate avenues for bringing forward information about wrongdoing if their disclosure does not meet the requirements of a PID.

Application of the secrecy provisions

Enquiries to our office indicate that the interpretation of s 20 of the Act relating to protecting the identity of the discloser, and s 65 in relation to protected information obtained under the Act, presents interpretative challenges to agencies and officials.

Section 20 prohibits the use and disclosure of information obtained by a person as a public official that is likely to identify another person as someone who has made a public interest disclosure.

As criminal penalties apply, officials must be sure that any use or disclosure comes within the exceptions permitted by s 20. Importantly, the exceptions include use or disclosure for the purposes of the PID Act or a law of the Commonwealth, or use and disclosure with the consent of the discloser. Section 65 contains similar exceptions, save for the law of the Commonwealth exception.

We acknowledge that the issue is complicated by s 44, which requires the discloser to consent to their name and contact details being disclosed to the principal officer upon allocation of a PID. The Act also explicitly provides that a PID may be made anonymously.

Consideration of these factors leads some agency officials to be confused over whether there exists a category of discloser who, while not anonymous, cannot be identified in any circumstances because they have not consented to the disclosure of their name and contact details in accordance with s 44, or to the disclosure of any information that might identify them as a discloser in accordance with the exception in s 20.

At a first glance this appears problematic in circumstances where any steps in an investigation of the disclosable conduct are likely to identify the discloser. For instance, the discloser may be the only person, or one of a few people, who could be aware of the information disclosed, and therefore their identity is likely to become evident once an investigation is instigated.

Another important consideration may be that a proper investigation requires the disclosure of identifying information to provide a person the subject of an allegation with procedural fairness. This particular issue falls into focus for disclosable conduct relating to allegations of bullying or harassment.

The object of the PID Act is not to supplant normal standards required of administrative investigations by public officials. The Act does not override the requirement that an investigator make appropriate enquiries and gather relevant evidence, apply procedural fairness, and ultimately apply the appropriate weight to the evidence as the basis of findings or conclusions.

We take the view that difficulties around managing the identity of a discloser are best addressed by agencies explaining in their procedures and awareness raising the reason for seeking a discloser's consent to the disclosure their identity at the outset.

This needs to be reinforced by assurances regarding protection from reprisal action, supported by clear action and a commitment to supporting disclosers.

Nonetheless, agency procedures and authorised officers should also make it clear that, notwithstanding the seeking of consent to the disclosure of identity (both to the principal officer upon allocation and/or more generally as the source of the disclosure to an investigator), the Act permits the use and disclosure of identifying information for the purposes of the Act. Importantly, this may include for the purposes of a PID investigation.

Finally, it should be noted that s 48 of the Act provides that a basis for not investigating, or not continuing to investigate, a disclosure is that the investigation is impracticable because the discloser's name and contact details have not been disclosed, or the discloser refuses to give the investigator information or assistance as requested.

Agencies have also expressed concern about whether the secrecy provisions in the PID Act limit their capacity to brief an agency head or portfolio minister about the receipt or handling of an internal disclosure.

While the law relating to parliamentary privilege remains undisturbed, agencies need to be aware that including 'protected information' in a briefing will still need to fit within the categories of exception permitted by s 65 of the Act.

The broadest exception is most likely to be for the purposes of, or in connection with, taking action in response to a disclosure investigation. Information that is likely to identify the discloser must not be included unless permitted by an exception in s 20 of the Act.

Similarly, agencies are concerned that the secrecy provisions in the Act may impede their capacity to respond to a media enquiry or questions following an external disclosure about the same subject matter.

Again, the release of any information protected by the secrecy provisions in the Act needs to be covered by one of categories of exception permitted by s 65 of the Act, and information that is likely to identify the discloser must not be divulged unless permitted by an exception in s 20.

Scope and threshold of disclosable conduct

Enquiries to our office indicate an over-representation of PIDs that are about conduct relating to relatively minor personal grievance matters, many of which are employment related and/or have already been the through other processes available to the discloser.

The Commonwealth PID scheme is not alone in this regard as other Australian PID oversight bodies have observed a similar trend with schemes in other jurisdictions.

Under the PID Act, disclosable conduct includes conduct engaged in by a public official that could, if proved, give reasonable grounds for disciplinary action against the public official¹⁸.

We are also frequently asked by agencies whether a minor breach of the Code of Conduct that has resulted, or could result, in counselling or mediation, but not the application of sanctions under the *Public Service Act 1999*, falls within this category.

We acknowledge there are differing views of this issue and that each case needs to be treated on its own facts. Nonetheless, we take the view that counselling or mediation action is not 'disciplinary', and therefore in the absence of any of the other categories of disclosable conduct, such conduct does not meet the threshold.

In relation to members of the ADF, the term 'disciplinary action' has a broad definition, as members can be subject to disciplinary action for matters not generally considered in this category outside the Defence Forces.

A related issue, which we noted in last year's report, is the approach of some agencies to inappropriately combine their assessment of whether the information disclosed meets the threshold for disclosable conduct with the exercise of the discretion whether to investigate that disclosure.

¹⁸ Section 29(2)(b) *Public Interest Disclosure Act 2013*

Commonly, this confusion arises in respect of disclosures about conduct that could, if proved, result in disciplinary action, but that concern a minor breach of the Code of Conduct (or similar), as discussed above.

It is only once a disclosure is allocated that the PID Act allows an investigation officer to exercise discretion not to investigate it on the basis that the information does not concern 'serious disclosable conduct'¹⁹.

Another related trend that we have noted from enquiries is for agencies not to allocate a disclosure that otherwise meets the threshold because another investigation process has already taken place or is considered to be more appropriate.

However, this may only be considered after the disclosure is allocated for handling under the Act. At that stage the investigator may decide under s 48 not to investigate the matter if the conduct is substantially the same as what has already been investigated.

As we noted in last year's report, some agencies may be placing undue emphasis on the application of s 47(3) as a separate category of decision making, contrary to the spirit and the requirements of the Act.

In our view s 47(3) of the Act may only be used once the PID has been allocated, and does not form part of the authorised officer's deliberations at the allocation stage. It allows an agency to consider whether a different investigation should be conducted under another law of the Commonwealth after it considers the substance and merits of the information being disclosed.

In the coming year we intend to issue a revised version of our Agency Guide to the Public Interest Disclosure Act with expanded guidance about assessing disclosures against the threshold criteria in the Act, and applying the discretionary grounds for deciding whether to investigate a disclosure.

Unintended consequences in the application of the PID Act

Through our contact with agencies seeking clarity about the PID scheme's scope and application, we note that the two areas of confusion identified in last year's report as unintended consequences of the application of the PID Act remain. These are the role of supervisors and the role of former public officials who seek to represent others.

In our view a strict application of the Act in these circumstances may lead to an unintended expansion of the scheme and possibly undermine the protections for public officials who identify and report suspected wrongdoing.

We continue to provide support and clarification to agencies to assist them to sensibly navigate through these issues. However, in order to provide greater certainty, we believe these issues should be explored and considered for possible legislative amendment.

In last year's report we described in some detail the issues that arise from the application of s 60A of the Act, which obliges a supervisor to pass on to an authorised officer any information they receive from any public official they supervise, if they believe on reasonable grounds that the information could concern disclosable conduct.

The mandatory nature of the supervisor's obligations can trigger the reporting of a matter as a PID in circumstances where the discloser is not in need of protections provided by the Act but, rather, is discussing information with their supervisor relevant to the normal duties of their position (for example, in a fraud or integrity unit).

However, we remain concerned that there is a lack of knowledge on the part of supervisors and managers about their obligations under the Act and, consequently, significant under-reporting.

In this regard we note that only 87 of the 1191 matters assessed against the criteria to determine if they were a PID were reported from the survey data as disclosed initially to a supervisor. This appears to be a very low figure across the 64 agencies that reported receiving PIDs or potential PIDs.

¹⁹ Section 48(1)(c)

The second unintended consequence that we noted in last year's report is that it remains open for public officials or former public officials to make a disclosure under the Act in relation to information obtained from someone else.

This may occur when the official seeks to act in an advocacy or representative role. This tends to undermine the intended operation of the Act, in that the official making the disclosure obtains the protections of the PID Act, while the person who made the disclosure to them, and who is likely to have obtained the information in connection with their duties, does not.

Operational themes

This year we received just over 300 PID-related approaches²⁰ through our dedicated telephone line and email address. Of the 185 enquiries, 157 were from agency representatives, 22 from public officials and six from either non-government organisations or members of the public. Dealing with enquiries provided insight into the day-to-day operational issues faced by agencies and officials.

Investigative processes

One emerging theme for agencies has been the manner in which the PID process incorporates administrative law principles of general application, such as procedural fairness.

This issue has most often arisen in the context of an enquiry regarding the formulation or interpretation of an agency's internal PID procedures. It has also been a theme in the course of an investigation where the report makes a finding or draws an adverse inference.

For some officials, particularly those who are not familiar with administrative investigations, the requirements of the PID Act and the Ombudsman Standard appear to indicate a different kind of investigation.

However, notwithstanding some additional procedures that the Act applies to a PID investigation, we remind agencies that the usual principles of an administrative investigation apply.

We encourage officials and agencies to access the published resources relating to the conduct of administrative investigations available from a variety of sources, as well as seeking legal advice where necessary.

Another emerging theme has been uncertainty about how the PID process intersects with other kinds of investigations, including those conducted under formal procedures established under another law of the Commonwealth.

The most significant of these are recognised in s 53 of the PID Act and the Ombudsman Standard, relating to fraud investigations and Code of Conduct breaches under the *Parliamentary Service Act 1999* and the *Public Service Act 1999*.

As noted earlier in this chapter, this uncertainty has manifested on some occasions with authorised officers seeking advice about whether a disclosure meets the threshold test for allocation if another procedure (for example, a Code of Conduct enquiry) might be more appropriate to investigate the conduct.

In considering these issues we encourage officials tasked with administering the Act to keep in mind that the PID scheme provides a process aimed at ensuring important information is disclosed and investigated properly, and that those who disclose it are protected.

The Act provides an administrative or 'handling' overlay with some specific features directed primarily at protecting disclosers for matters that meet the circumstances defined by the Act.

However, the PID scheme should be viewed as a process for facilitating the disclosure of information which it is complementary to other processes available to an agency, and not one intended to displace well-established principles of investigation or procedures established under other laws for investigating specific types of conduct.

Investigators always have available the facility of recommending a different kind of investigation in the disclosure investigation report.

²⁰ Aggregating all enquiries, complaints and disclosures/potential disclosures (but not including mandatory notifications)

Department of Veterans' Affairs (DVA) is a department of approximately 1900 employees, with a primary focus on delivering government programs and administering entitlements for war veterans, members of the ADF, members of the Australian Federal Police and their dependants.

During a roundtable meeting with DVA's authorised officers we became aware that some of DVA's functions created an unintended operational challenge in administering the PID scheme.

Most DVA clients meet the definition of current or former public official as they are either serving or former members of the ADF. This raised the possibility of DVA clients activating the PID Act by directing their complaints about a general service matter, or their grievances about the actions of the ADF, DVA or DVA's contracted service providers to an authorised officer.

DVA was concerned about being obliged to handle these matters under the Act and how the triggering of protections under the Act might impact on decisions about entitlements.

We provided advice to DVA focusing on a commonsense and practical approach to the issue. In our advice we identified that while the client cohort had been correctly identified as public officials who could make a disclosure under the Act, the structure of DVA's network of authorised officers meant there would be limited opportunities for information about actions which met the definition of disclosable conduct to reach an authorised officer in the ordinary course of business.

In exploring the issue it was clear that DVA's internal complaint-handling mechanism available to clients was used to handle most grievances and complaints without the complaints finding their way to an authorised officer and thus triggering the application of the PID Act.

We confirmed with DVA this meant complaints could be handled in the usual way via their normal complaint-handling procedures.

We suggested raising awareness of the Act to assist in identifying occasions where it might be appropriate to refer a matter to an authorised officer. In particular we emphasised the importance of DVA focusing on its obligations to enable its employees and contracted service providers (or former staff and contractors) to access the PID scheme, as these were the most likely source of an internal disclosure.

The case highlighted that not all disclosures by a current or former public official would need to be treated as a PID.

In this instance a complaint made by a person external to DVA, such as a current or former member of the ADF, about the conduct of a member of the ADF to a DVA employee would not be considered a PID, even if made to an authorised officer of DVA. A disclosure of this type would not meet the criteria of an internal disclosure.

While only 10 disclosures were received by DVA in the last reporting period, a review of its internal procedures was undertaken by DVA to address their concerns and to clarify what types of disclosures could be made to an authorised officer in DVA and by whom.

Multi-agency disclosures

Complaints and enquiries have highlighted instances where a discloser has made a series of the same or similar disclosures to a number of agencies, all or some of which may be implicated in the disclosable conduct.

This issue is highlighted where a disclosure is made about conduct of staff belonging to a number of agencies who are co-located, particularly in overseas posts.

While s 43(4) enables an authorised officer to make enquiries of another agency for the purposes of determining the allocation, this does not in our view explicitly enable consultation between agencies about the best way to investigate a disclosure about interconnected administration, or facilitate cooperation where this is appropriate.

The Act provides generally that an investigation is conducted 'as the person thinks fit', and that information can be obtained, and enquiries made as the principal officer or his delegate 'thinks fit'.²¹ Also, a public official (of any agency) has an obligation to assist in the conduct of a PID investigation.²²

Nonetheless, agencies act cautiously, with concern about investigators breaching the secrecy provisions of the Act, when they initiate enquiries with another agency.

A risk that arises from this is the possibility of more than one agency investigating the same disclosure, albeit the different aspects of the disclosure that relate to their agency, without knowing that the other agency is also conducting an investigation. This leads to the possibility of contradictory findings or conclusions being arrived at by the different agencies.

In our view this area could benefit from some legislative clarity.

Where agency clients are also public officials

We have identified situations where an official or former official may make a PID relating to information they have obtained in their personal capacity; for example, as a former APS employee now a client of Centrelink or a former ADF member now a client of the Department of Veterans' Affairs.

Commonly, this might be a complaint or grievance about the payment of benefits or delivery of services.

We work collaboratively with agencies to manage these issues with practical solutions as illustrated in the following case study.

Ombudsman and IGIS monitoring role

The majority of potential disclosers who have approached us to make a disclosure (rather than direct to their agency) often state they have done so because of fear of reprisal action and mistrust of the agency concerned.

We have also noted a number of instances where disclosers who are engaged in multiple complaint/investigation processes with their home agency seek to make a disclosure about these matters to the Ombudsman in an attempt to have a more comprehensive or interconnected investigation take place.

This provides our office the opportunity to explain to disclosers some important aspects of the PID Act including the benefits of making a disclosure directly to the agency concerned, the key role that agencies play in the operation of the Act, an agency's obligation to investigate and, most importantly, the protection against reprisal that the Act provides.

We have also received feedback from some agencies that the possibility of a PID being made has led to more rigour being applied to their other internal investigation processes.

IGIS continued to serve as a central coordination point for the intelligence agencies on PID-related matters. It performed this function by providing the intelligence agencies with periodic updates on relevant PID issues and external developments, responding to PID-related queries from the AIC agencies, providing feedback to interested government agencies on the operation of the Act, and liaising with us to produce a consolidated intelligence agency response to our annual report PID survey.

The intelligence agencies provided IGIS with prompt notification of PID complaints that had been allocated to them for investigation, and advice on the outcome where those matters had been allocated but were pursued under a different law of the Commonwealth. Investigation reports were also readily provided to IGIS.

²¹ Section 53 PID Act

²² Section 61 PID Act

Number of disclosures received by the Ombudsman

This office received 73 approaches from people wishing to make a PID about another Commonwealth agency. In 51 of those we determined that the matter did not meet the threshold requirements of an internal disclosure for it to be considered a PID.

This decision was made for a variety of reasons. In 28 of those matters we determined they did not meet the threshold requirement because the Ombudsman (or Ombudsman authorised officers) was not an authorised internal recipient.

Largely this determination was made because, under the Act, an additional requirement for making an internal disclosure to the Ombudsman is that the discloser must hold a belief on reasonable grounds that the matter should be investigated by the Ombudsman.

Where the discloser has not been able to provide reasonable grounds, we have determined that the disclosure has not been made to an authorised internal recipient and therefore the matter does not meet this threshold requirement of an internal disclosure.

In this respect we have taken the view that, for example, if a discloser is clearly aware of the limitations on the Ombudsman's jurisdiction to investigate employment-related matters as prescribed by the *Ombudsman Act 1976*, there is no reasonable grounds for the discloser to believe that it would be appropriate for the Ombudsman to investigate.

In such cases we have suggested that the person approach an authorised internal recipient (for example, their supervisor or an authorised officer) within the relevant agency.

In 17 of the 51 approaches that we determined did not meet the threshold requirements of an internal PID, we decided the information disclosed did not amount to disclosable conduct, in four cases we determined that the discloser was not a public official and in two cases the conduct related to a body not covered by the PID Act.

We assessed 18 disclosures to meet the threshold requirements for the matter to be an internal disclosure. Of these, 12 were allocated to the agency to which the information related and six were allocated to the Ombudsman for investigation. We also received a further PID that was allocated to the Ombudsman by another agency.

The seven matters that were allocated to the Ombudsman's office were either matters that would have raised a conflict of interest if allocated to the relevant agency, or the PID involved a number of agencies.

At the end of the reporting period four matters were under current assessment to determine if they were internal disclosures.

Number of disclosures received by IGIS

IGIS allocated one disclosure to an intelligence agency for investigation and allocated two disclosures to IGIS for investigation. One disclosure made to IGIS was not allocated on the basis that it did not meet the PID threshold.

Notifications received by the Ombudsman and IGIS

The PID Act requires that agencies inform the Ombudsman or IGIS of:

- a decision to allocate a disclosure for investigation
- a decision, after allocation, not to investigate, or not investigate further
- a request for an extension of time to complete an investigation.

Table 13 sets out the number of notifications and requests for extension received by the Ombudsman and IGIS.

Table 13 Number of notifications and requests for extensions

	NOTIFICATIONS OF PID ALLOCATION DECISION	NOTIFICATIONS OF DECISION NOT TO INVESTIGATE A PID	EXTENSION OF TIME REQUESTS
Ombudsman	676	207	51
IGIS	4	3	0

These figures reflect slightly more than twice the number of allocation decisions compared with last period, noting that the scheme had only been operation for five-and-a-half months last reporting year.

The notifications of decisions not to investigate has quadrupled, possibly reflecting a better understanding of agencies of the options available under s 48 of the Act and more confidence to make more decisions at an earlier stage.

The requests for extension have increased considerably as well, even taking into account the longer period of operation of the Act. However, we think this probably reflects the higher number of PIDs being received by agencies with the maturing of the scheme.

The Act does not prescribe a time in which agencies must inform the Ombudsman or IGIS of their notification decisions. However, we have asked that agencies provide this information within 10 working days of the decision being made.

We have asked agencies requesting an extension to lodge their applications for extension 21 days before the expiration of the 90-day investigation period.

We also note that the Act does not require agencies to notify the Ombudsman when an investigation is completed, thus leaving a gap in the Ombudsman's ability to oversight the entire course of a matter where a disclosure investigation is completed with a report under s 51.

Prescribed investigative agency

As we noted in last year's report the Act envisaged that other investigative agencies could be prescribed by the PID Rules. No PID Rules exist and this has resulted in some specialist agencies (for example, the Australian Commission for Law Enforcement Integrity, the Australian Human Rights Commission, the Australian Public Service Commission and the Parliamentary Service Commissioner) not being given the power to investigate matters under the Act within their specialist jurisdictions.

Administration of the Ombudsman's functions

We have a dedicated telephone line and email address for agencies and public officials to facilitate enquiries concerning the PID scheme.

This year we received more than 300 PID-related approaches to those channels (not including mandatory notifications), of which approximately 50% were made from agency representatives, 23% from disclosers or potential disclosers and 17% from disclosers making a complaint about the handling of their PID.

The other approximately 10% was made up of individual officials, members of the public, non-government bodies and anonymous persons. Responding to enquiries from agencies and disclosers has enabled us to provide assistance as well as gain an insight into the issues faced by agencies and disclosers.

We have published a number of resources to help agencies and public officials understand the scheme. In the past year we received more than 13,880 unique page views²³ to our PID website. In April 2015 we launched a revised version of our PID webpages, with expanded and clearer material and links.

²³ Unique page views are the number of visits during which the specified page was viewed at least once. Where a person views the same webpage from the same computer more than once, this will only be counted as one unique page view.

The number of people visiting the website, along with feedback from agencies, indicates that the resources and the activities we have conducted have been well received.

As part of our internal audit processes we commissioned a review by external consultants of our statutory monitoring and oversight role under the Act. A survey was conducted as part of this review and sent to 25 agencies, including key agencies identified by size and PID numbers.

Eighteen agencies responded, providing representation from a range of entity sizes. These responses indicated a high level of satisfaction with the services being provided by us.

The review recommended a number of internal actions and procedures designed to enhance our delivery of the function, and expressed an overall assessment that the office was carrying out its functions well. The enhanced survey sent to agencies for reporting purposes reflects recommendations from the review of the Act.

One of the gaps identified in our materials was a simplified guide to the PID scheme. In July we published our new reference guide, which can be found on the website.

Stakeholder engagement

This year we have continued to take advantage of the momentum generated from the introduction of the PID scheme, and have engaged with agencies and officials to deliver our legislated oversight and educative role for the scheme.

As part of continuing education we delivered more than 40 PID presentations to public officials in a range of agencies located in Canberra, Sydney, Melbourne, Brisbane, Perth, Darwin and Alice Springs.

On four occasions in the reporting period we presented a segment on the PID scheme for Department of Human Services (DHS) staff completing the Diploma in Government (Fraud Control) program. We are now doing this on an ongoing basis, as well as contributing to similar programs at teaching institutions.

We took a leadership role in organising 10 community of practice roundtables which took place in Canberra, Sydney, Melbourne, Brisbane and Perth. These were attended by officials and PID practitioners including lawyers and members of organisations who deal with the public sector.

Communities of practice provide an important avenue for practitioners to share their experiences of the practical application of, and technical issues with, the PID Act, as well as, at a higher level, considering how the objects of the Act have been achieved since its commencement.

These sessions helped inform us of emerging issues for PID practitioners in relation to the operation of the Act, as well as interpretation and implementation. In addition, the sessions provided an opportunity for us to reinforce key issues for implementation of the PID scheme.

Feedback from these forums indicated a high level of satisfaction with the information and assistance being given by our office in relation to the application of the Act.

The PID Oversight Forum in April 2015 hosted by the Commonwealth Ombudsman brought together all the major state and territory bodies with oversight responsibilities for public interest disclosure schemes throughout Australia.

Representatives attended from NSW, Queensland, Victoria, Western Australia, the Northern Territory and the ACT, as well as from IGIS. The forum provided an opportunity to discuss and compare key legislative issues and emerging trends for bodies with PID oversight responsibilities.

We committed to considering and comparing the effect of key legislative provisions in all the relevant Commonwealth, state and territory legislation, as well as working towards standardising important data collected about the operation and effectiveness of public interest disclosure schemes in all the jurisdictions.

The following day we invited PID practitioners in Commonwealth agencies to come and learn from the experience of Australia's PID oversight bodies across different jurisdictions at a Canberra PID community of practice event.

This year saw the establishment within the Govdex framework of the 'Whistling Wiki', a collaborative online community for PID practitioners and oversight bodies. The wiki is jointly administered by the Commonwealth, NSW and Queensland Ombudsmen and creates a platform for authorities and PID practitioners to discuss challenges and best practice in the various PID schemes, and to share research and information and relevant media information. Over 550 individuals and entities have been invited to subscribe to the site.

One of the most important aspects of our education and assistance role is to meet directly with agencies to discuss emerging challenges and approaches to the PID Act. This year we held over 30 meetings with more than 15 agencies, lawyers and other PID practitioners. In some instances we assisted agencies by reviewing their internal PID procedures, and PID information for staff and contractors.

Our experience of this role coupled with the more than 180 enquiries that we received from agencies and individuals seeking guidance in relation to the Act has helped us update and refine our own guidance material, which we had developed in anticipation of the implementation of the PID scheme. A current list of our materials is available at Appendix 4.

Apart from our contribution to forums directly related to the PID scheme, we also participated in the broader discussion of ethics, integrity and public administration in the public sector. In this regard we presented to the Australian Public Service Commission Ethics Contact Officer Network, the Institute of Internal Auditors (Australia), the Institute of Public Administration Australia, the Attorney-General's Fraud Liaison Forum and the Australian Strategic Policy Institute.

Consultations

We have been able to play a role in helping agencies shape their advice and PID processes. We were formally consulted by the Australian Public Service Commission in developing their most recent guidance on official conduct.

We have consulted extensively with the Department of Prime Minister and Cabinet in relation to refining the operation of the PID Act and addressing the operational, interpretative and unintended consequences that we have identified above.

Section 82A of the Act requires the Minister to cause a review of its operation to be undertaken two years after its commencement. This will be due in January 2016 and must be completed within six months.

With our experience to date in overseeing and reporting on the operation of the Act and from providing assistance to agencies, we will be well placed to contribute to any review.

The matters we have discussed in this report including those issues raised by agencies will inform any submission that the Ombudsman may make.

Table 14 Number of disclosures received and kinds of disclosable conduct

AGENCY	NUMBER OF PIDS RECEIVED BY AUTHORISED OFFICERS (S76(2)(A)(I) PID ACT) ²⁷	KINDS OF DISCLOSABLE CONDUCT TO WHICH THE DISCLOSURES RELATE (S76(2)(A)(I) PID ACT) ²⁸
1. Department of Defence	370	<ul style="list-style-type: none"> • Contravention of a Commonwealth law • Perversion of the course of justice or corruption • Maladministration • Wastage of Commonwealth resources (money or property) • Conduct unreasonably resulting danger, or risk of danger to health and safety • Abuse of public office • Conduct that may result in disciplinary action
2. Department of Immigration and Border Protection	40	<ul style="list-style-type: none"> • Contravention of a Commonwealth law • Maladministration • Abuse of public office • Wastage of Commonwealth resources (money or property) • Conduct unreasonably resulting danger, or risk of danger to health and safety • Conduct that may result in disciplinary action
3. Australian Taxation Office	38	<ul style="list-style-type: none"> • Contravention of a Commonwealth law • Perversion of the course of justice or corruption • Maladministration • Wastage of Commonwealth resources (money or property) • Conduct unreasonably resulting danger, or risk of danger to health and safety • Abuse of public office • Conduct that may result in disciplinary action
4. Commonwealth Ombudsman	19	<ul style="list-style-type: none"> • Contravention of a Commonwealth law • Perversion of the course of justice or corruption • Maladministration (40%) • Abuse of public trust (4%) • Wastage of Commonwealth resources (money or property) • Conduct unreasonably resulting danger, or risk of danger to health and safety • Risk of danger to the environment • Conduct that may result in disciplinary action
5. Department of Agriculture	12	<ul style="list-style-type: none"> • Contravention of a Commonwealth law • Conduct that may result in disciplinary action
6. Airservices Australia	10	<ul style="list-style-type: none"> • Contravention of a Commonwealth law • Maladministration • Conduct unreasonably resulting danger, or risk of danger to health and safety • Conduct that may result in disciplinary action

AGENCY	NUMBER OF PIDS RECEIVED BY AUTHORISED OFFICERS (S76(2)(A)(I) PID ACT) ²⁷	KINDS OF DISCLOSABLE CONDUCT TO WHICH THE DISCLOSURES RELATE (S76(2)(A)(I) PID ACT) ²⁸
7. Department of Veterans' Affairs	9	<ul style="list-style-type: none"> • Perversion of the course of justice or corruption • Maladministration • Abuse of public trust • Wastage of Commonwealth resources (money or property) • Conduct that may result in disciplinary action
8. Australian Customs and Border Protection Service	8	<ul style="list-style-type: none"> • Maladministration • Conduct that may result in disciplinary action
9. Department of Human Services	7	<ul style="list-style-type: none"> • Maladministration • Abuse of public office • Conduct that may result in disciplinary action
10. Department of the Prime Minister and Cabinet	7	<ul style="list-style-type: none"> • Maladministration • Conduct that may result in disciplinary action
11. Australian Competition and Consumer Commission	7	<ul style="list-style-type: none"> • Contravention of a Commonwealth law • Maladministration • Conduct unreasonably resulting danger, or risk of danger to health and safety
12. Department of Social Services	6	<ul style="list-style-type: none"> • Contravention of a Commonwealth law • Maladministration • Wastage of Commonwealth resources (money or property) • Abuse of public office • Conduct that may result in disciplinary action
13. Department of Foreign Affairs and Trade	5	<ul style="list-style-type: none"> • Contravention of a Commonwealth law • Maladministration • Abuse of public trust • Wastage of Commonwealth resources (money or property) • Conduct that may result in disciplinary action
14. Australia Post	5	<ul style="list-style-type: none"> • Contravention of a Commonwealth law • Maladministration • Abuse of public trust • Abuse of public office • Conduct that may result in disciplinary action
15. Austrade	5	<ul style="list-style-type: none"> • Contravention of a Commonwealth law • Contravention of a law in a foreign country • Maladministration

AGENCY	NUMBER OF PIDS RECEIVED BY AUTHORISED OFFICERS (S76(2)(A)(I) PID ACT) ²⁷	KINDS OF DISCLOSABLE CONDUCT TO WHICH THE DISCLOSURES RELATE (S76(2)(A)(I) PID ACT) ²⁸
16. Department of the Treasury	86 (aggregated total of all PIDs received by these agencies)	<ul style="list-style-type: none"> • Perversion of the course of justice or corruption • Conduct unreasonably resulting danger, or risk of danger to health and safety
17. Australian Sports Commission		
18. Commonwealth Scientific and Industrial Research Organisation	This section aggregates data for agencies reporting four or fewer PIDs received during the reporting period.	<ul style="list-style-type: none"> • Contravention of a Commonwealth law • Maladministration
19. Australian Rail Track Corporation		
20. Australian Securities & Investments Commission		<ul style="list-style-type: none"> • Abuse of public trust • Conduct that may result in disciplinary action
21. Australian Government Solicitor		
22. Department of the Environment		<ul style="list-style-type: none"> • Wastage of Commonwealth resources (money or property)
23. Australian Nuclear Science and Technology Organisation		
24. Intelligence agencies		<ul style="list-style-type: none"> • Abuse of public office
25. Attorney-General's Department		
26. Australian Financial Security Authority		<ul style="list-style-type: none"> • Abuse of position or grounds for disciplinary action
27. Australian National University		
28. Inspector-General of Intelligence and Security		<ul style="list-style-type: none"> • Conduct that results in a wastage of public money
29. Australian Transaction Reports and Analysis Centre		
30. Civil Aviation Safety Authority		
31. Department of Finance		
32. National Health and Medical Research Council		
33. Indigenous Land Corporation		
34. The Administrative Appeals Tribunal		
35. Australian Broadcasting Corporation		
36. Murray-Darling Basin Authority		
37. Comcare		
38. NBN Co Limited		
39. Department of Parliamentary Services		
40. The Australian Fisheries Management Authority		
41. Australian Federal Police		
42. Office of the Fair Work Building Industry Inspectorate		
43. National Gallery of Australia		

AGENCY	NUMBER OF PIDS RECEIVED BY AUTHORISED OFFICERS (S76(2)(A)(I) PID ACT) ²⁷	KINDS OF DISCLOSABLE CONDUCT TO WHICH THE DISCLOSURES RELATE (S76(2)(A)(I) PID ACT) ²⁸
44. Australian Crime Commission		
45. National Museum of Australia		
46. Australian War Memorial		
47. Reserve Bank of Australia		
48. Bureau of Meteorology		
49. Department of Industry and Science (including Geoscience Australia)		
50. National Library of Australia		
51. Australian Institute for Teaching and School Leadership		
52. National Offshore 53. Petroleum Safety and Environmental Management Authority		
54. Defence Housing Australia		

²⁷ A public interest disclosure is information that has been assessed as meeting all the requirements under s 26(1) of the PID Act. These statements do not include reference to disclosures that were received under the PID Act but not assessed as meeting the s 26 requirements.

²⁸ This column details each kind of disclosable conduct within the PIDs referred to in Column 1, as reported by agencies, noting that an individual PID may contain allegations of instances of more than one kind of disclosable conduct. It should also be noted that this table lists the disclosable conduct alleged by the discloser, but does not represent the findings made at the conclusion of any investigation of the PID.

Table 15 PID investigations completed and actions taken in response to recommendations

AGENCY	NUMBER OF DISCLOSURE INVESTIGATIONS CONDUCTED DURING THE FINANCIAL YEAR (S 76(2)(A)(III) PID ACT) ²⁹	ACTIONS TAKEN DURING THE FINANCIAL YEAR IN RESPONSE TO RECOMMENDATIONS RELATING TO THOSE DISCLOSURE INVESTIGATION (S 76(2)(A) (IV) PID ACT) ³⁰
1. Department of Defence	236	<ul style="list-style-type: none"> • Matter referred for investigation under the <i>Defence Force Discipline Act 1982</i> • Matter referred for investigation under the <i>Defence Act 1903</i> • Matter referred for investigation under the <i>Public Service Act 1999</i> • Matter referred for investigation under the <i>Criminal Code Act 1995 (Cth)/Defence Force Discipline Act 1982 (s61)</i> • Matter referred for investigation under the <i>Criminal Code Act 1995 (Cth)</i> • Matter referred for investigation under the <i>Public Governance, Performance and Accountability Act 2013</i> • Matter referred for investigation under the <i>Criminal Code Act 1899 (Qld)</i> • Matter referred back to unit to deal with at a local level • Recommendation to investigate under the <i>Defence Force Discipline Act 1982</i> • Matter referred for investigation under the <i>Crimes Act 1900 (ACT)</i> • Matter referred for investigation under the <i>Crimes Act 1914 (Cth)</i> • Matter referred to line management for administrative action and all APS staff in area continue to comply with Defence employees' conditions of service • Matter referred for investigation under the <i>Criminal Code Act (NT)/ Defence Force Discipline Act 1982 (s 61)</i> • Matter referred to the Department of Veterans' Affairs under s 47(3) of the PID Act to consider an investigation under the <i>Criminal Code Act 1995</i>
2. Australian Taxation Office	28	No action recommended
3. Department of Immigration and Border Protection	24	<ul style="list-style-type: none"> • Management action (change of policy/procedure) • Code of Conduct investigation undertaken under the <i>Australian Public Service Act 1999</i>
4. Airservices Australia	8	Information not provided by agency

AGENCY	NUMBER OF DISCLOSURE INVESTIGATIONS CONDUCTED DURING THE FINANCIAL YEAR (S 76(2)(A)(III) PID ACT) ²⁹	ACTIONS TAKEN DURING THE FINANCIAL YEAR IN RESPONSE TO RECOMMENDATIONS RELATING TO THOSE DISCLOSURE INVESTIGATION (S 76(2)(A)(IV) PID ACT) ³⁰
5. Department of Agriculture	6	<ul style="list-style-type: none"> • No findings of disclosable conduct and no further action recommended • Referral for further investigation under <i>Criminal Code Act 1995</i> • Referral to Code of Conduct investigation under the <i>Australian Public Service Act 1999</i> • Referral to Comcare Fraud Investigations Unit for consideration under <i>Criminal Code Act 1995</i> • Relocation of resources
6. Department of Foreign Affairs and Trade	5	No further action taken
7. Department of Human Services	5	No action recommended
8. Australian Customs and Border Protection Service	5	<ul style="list-style-type: none"> • Referral to Code of Conduct investigation under the <i>Australian Public Service Act 1999</i>
9. Commonwealth Scientific and Industrial Research Organisation	5	<ul style="list-style-type: none"> • Security and fraud-awareness training • Change in resource management • Counselling, ongoing monitoring of behaviour • Apology and acknowledgment • Review of HSE processes, update of procedures • Training, revised procedures

AGENCY	NUMBER OF DISCLOSURE INVESTIGATIONS CONDUCTED DURING THE FINANCIAL YEAR (S 76(2)(A)(III) PID ACT) ²⁹	ACTIONS TAKEN DURING THE FINANCIAL YEAR IN RESPONSE TO RECOMMENDATIONS RELATING TO THOSE DISCLOSURE INVESTIGATION (S 76(2)(A)(IV) PID ACT) ³⁰
10. Australian Rail Track Corporation	64 investigations were completed by the agencies in this section	<ul style="list-style-type: none"> • Improvements to freedom of information and complaint responses
11. Australian Government Solicitor	This section aggregates data for agencies reporting	<ul style="list-style-type: none"> • Improved record-keeping practices for tender processes
12. Australian Trade Commission	four or fewer investigations	<ul style="list-style-type: none"> • Referral of issue to internal audit to review policies and procedures for official resources and entitlements
13. Australian Transaction Reports and Analysis Centre	being conducted during the reporting period.	<ul style="list-style-type: none"> • Referral of matter to Human Resources for consideration
14. Department of Finance		<ul style="list-style-type: none"> • Review of policy and procedures for financial matters
15. Department of Prime Minister and Cabinet		<ul style="list-style-type: none"> • Apology
16. Australia Post		<ul style="list-style-type: none"> • Mediation
17. Australian Crime Commission		<ul style="list-style-type: none"> • Clarification of roles
18. Australian Fisheries Management Authority		<ul style="list-style-type: none"> • Training to staff on health and safety policy and procedure
19. Australian Securities and Investment Commission		<ul style="list-style-type: none"> • Training of staff on agency policy
20. Australian Sports Commission		<ul style="list-style-type: none"> • Review of procedures and changes were made to improve recruitment practices
21. Civil Aviation and Safety Authority		<ul style="list-style-type: none"> • Review of policy and procedures and changes were made to improve management of conflict of interests
22. Australian Federal Police		<ul style="list-style-type: none"> • Recommendation for improved communication between employees
23. Department of Social Services		<ul style="list-style-type: none"> • Review to be undertaken to assess if actions breach Code of Conduct
24. NBN Co Limited		<ul style="list-style-type: none"> • Referral for possible investigation under <i>Public Governance, Performance and Accountability Act 2013</i>
25. Attorney-General's Department		<ul style="list-style-type: none"> • Counselling and training for areas identified for improvement
26. Northern Land Council		<ul style="list-style-type: none"> • Management action
27. Australian Nuclear Science and Technology Organisation		<ul style="list-style-type: none"> • Training be undertaken by staff
28. Bureau of Meteorology		<ul style="list-style-type: none"> • Eight agencies reported completing investigations which did not result in recommendations being made for further action to be taken.
29. Department of Foreign Affairs and Trade		
30. Department of Industry and Science (including Geoscience Australia)		
31. Department of Parliamentary Services		
32. Department of Treasury		
33. Australian Financial Security Authority		

AGENCY	NUMBER OF DISCLOSURE INVESTIGATIONS CONDUCTED DURING THE FINANCIAL YEAR (S 76(2)(A)(III) PID ACT) ²⁹	ACTIONS TAKEN DURING THE FINANCIAL YEAR IN RESPONSE TO RECOMMENDATIONS RELATING TO THOSE DISCLOSURE INVESTIGATION (S 76(2)(A)(IV) PID ACT) ³⁰
34. National Offshore Petroleum Safety and Environmental Management Authority		
35. Office of the Commonwealth Ombudsman		
36. Department of Veterans' Affairs		
37. Fair Work Ombudsman		
38. Indigenous Land Corporation		
39. National Gallery of Australia		
40. National Health and Medical Research Council		
41. National Health and Medical Research Council		

²⁹ This column details the number of disclosure investigations that agencies completed during the 2014-15 financial year. This includes investigations that commenced in the previous financial year but were not completed until the 2014-15 financial year.

³⁰ Noting that a disclosure investigation may or may not result in recommendations being made, and the actions taken may or may not occur in the same financial year that the disclosure investigation was completed.

Table 16 Agencies that have not reported receiving PIDs

1. AAF Company
2. Australian Curriculum, Assessment and Reporting Authority
3. Aboriginal Hostels Limited
4. Albury Wodonga Development Corporation
5. Anindilyakwa Land Council
6. Army and Air Force Canteen Service
7. Asbestos Safety and Eradication Agency
8. ASC Pty Ltd
9. Australia Council for the Arts
10. Australian Aged Care Quality Agency
11. Australian Bureau of Statistics
12. Australian Business Arts Foundation Limited
13. Australian Centre for International Agricultural Research
14. Australian Commission for Law Enforcement Integrity
15. Australian Commission on Safety and Quality In Health Care
16. Australian Electoral Commission
17. Australian Film, Television and Radio School
18. Australian Grape and Wine Authority
19. Australian Hearing Services
20. Australian Human Rights Commission
21. Australian Institute of Aboriginal and Torres Strait Islander Studies
22. Australian Institute of Criminology
23. Australian Institute of Family Studies
24. Australian Institute of Health and Welfare
25. Australian Institute of Marine Science
26. Australian Law Reform Commission
27. Australian Maritime Safety Authority
28. Australian Military Forces Relief Trust Fund
29. Australian National Audit Office
30. Australian National Maritime Museum
31. Australian Organ and Tissue Donation and Transplantation Authority
32. Australian Pesticides and Veterinary Medicines Authority
33. Australian Public Service Commission
34. Australian Radiation Protection and Nuclear Safety Agency
35. Australian Reinsurance Pool Corporation
36. Australian Renewable Energy Agency
37. Australian Research Council
38. Australian River Co Limited
39. Australian Skills Quality Authority
40. Australian Sports Anti-Doping Authority
41. Australian Sports Foundation Limited
42. Australian Strategic Policy Institute
43. Australian Transport Safety Bureau
44. Bundanon Trust
45. Cancer Australia
46. Central Land Council
47. Clean Energy Finance Corporation
48. Clean Energy Regulator
49. Climate Change Authority
50. Coal Mining Industry (Long Service Leave Funding) Corporation
51. Commonwealth Grants Commission
52. Commonwealth Superannuation Corporation
53. ComSuper
54. Corporations and Markets Advisory Committee
55. Cotton Research and Development Corporation
56. CrimTrac Agency
57. Department of Communications
58. Department of Education and Training
59. Department of Health
60. Department of Infrastructure and Regional Development
61. Department of the House of Representatives
62. Department of the Senate
63. Director of National Parks
64. Export Finance and Insurance Corporation
65. Fair Work Commission
66. Family Court and Federal Circuit Court
67. Federal Court of Australia
68. Fisheries Research and Development Corporation
69. Food Standards Australia New Zealand
70. Future Fund Management Agency
71. General Practice Education and Training
72. Grains Research and Development Corporation
73. Great Barrier Reef Marine Park Authority
74. Health Workforce Australia
75. High Court of Australia

76. IIF Investments Pty Ltd
77. Independent Hospital Pricing Authority
78. Indigenous Business Australia
79. Infrastructure Australia
80. Inspector-General of Taxation
81. IP Australia
82. Medibank Private Limited
83. Migration Review Tribunal – Refugee Review Tribunal
84. Moorebank Intermodal Company Limited
85. National Archives of Australia
86. National Australia Day Council
87. National Blood Authority
88. National Capital Authority
89. National Competition Council
90. National Disability Insurance Agency
91. National Film and Sound Archive of Australia
92. National Health Funding Body
93. National Health Performance Authority
94. National Mental Health Commission
95. National Portrait Gallery of Australia
96. National Transport Commission
97. National Water Commission
98. Northern Land Council
99. Office of Parliamentary Counsel
100. Office of the Auditing and Assurance Standards Board
101. Office of the Australian Accounting Standards Board
102. Office of the Australian Information Commissioner
103. Office of the Commonwealth Director of Public Prosecutions
104. Old Parliament House
105. Outback Stores Pty Ltd
106. Parliamentary Budget Office
107. Private Health Insurance Administration Council
108. Private Health Insurance Ombudsman
109. Productivity Commission
110. Professional Services Review
111. RAAF Veterans' Residences Trust
112. RAAF Welfare Recreational Company
113. RAAF Welfare Trust Fund
114. RAN Central Canteens Board (Trading as Navy Canteens)
115. RAN Relief Trust Fund
116. Rural Industries Research and Development Corporation
117. Safe Work Australia
118. Screen Australia
119. Special Broadcasting Services Corporation
120. Sydney Harbour Federation Trust
121. Telecommunications Universal Service Management Agency
122. The Royal Australian Mint
123. Tiwi Land Council
124. Torres Strait Regional Authority
125. Tourism Australia
126. Workplace Gender Equality Agency
127. Wreck Bay Aboriginal Community Council

INTERNATIONAL PROGRAM

Since 2001–2002 the office has received funding from the Department of Foreign Affairs and Trade (DFAT) to design and manage aid development programs that encourage good governance and accountability in the Asia-Pacific region. We have built a dedicated series of programs to improve government administration by encouraging best practice in complaint handling.

In 2014–15 we managed the following five programs: Indonesia, Papua New Guinea, the Solomon Islands, the Pacific Ombudsman Alliance Governance and Anti-Corruption in the Pacific.

Indonesia

The Indonesian program is funded under DFAT's Government Partnerships Fund. Our program supports the Ombudsman of the Republic of Indonesia (ORI) to provide the Indonesian people with greater access to a more effective and sustainable complaint-handling service. The main challenge is reaching a larger proportion of Indonesia's geographically and culturally diverse population of 252 million people.

Since 2006 our program has assisted ORI to expand and decentralise. This regional expansion promotes good governance at the emerging local level.

In 2014–15 the office continued to strengthen ORI's capacity through training and mentoring in investigations, leadership and corporate functions.

Twinning program with Papua New Guinea

Our twinning program with the Ombudsman Commission of Papua New Guinea (OCPNG) has been in place since 2006. Our activities are designed to engage with the leadership and at the operational level of the organisation, and has built a mutually supportive and trusting relationship between the Commonwealth and PNG Ombudsman's offices.

In collaboration with our office, the OCPNG decides which activities the twinning program will support, in accordance with its organisational priorities. Activities under this program in 2014–15 included the development and promotion of a strategic plan for the OCPNG, implementation of an anti-harassment and bullying framework, creation of a practical mechanism

to improve communication across the different levels of the OCPNG, and providing formal accredited investigations training to OCPNG staff.

Through short-term placements to Australia in 2014–15, OCPNG staff have continued to gain confidence, knowledge and the skills to drive change from within the organisation.

ICT support to the Solomon Islands

While the Office of the Ombudsman Solomon Islands (OOSI) and Leadership Code Commission are part of the Pacific Ombudsman Alliance, since 2010 our office has run an additional program of activities under an institutional partnership underpinned by a memorandum of understanding (MoU) between the Commonwealth Ombudsman and OOSI.

In 2014–15 the focus of our support activities was developing and implementing an MoU between OOSI and the Solomon Islands government ICT services provider. We assisted in a review of security options over electronic records and an overall review of the security and management of the ICT environment including development of an ICT plan for OOSI.

These activities support the longer term goal of improved governance and public sector service delivery in the Solomon Islands.

The Pacific Ombudsman Alliance

Since 2008 the office has provided secretariat support to the Pacific Ombudsman Alliance (POA), a strong regional network of ombudsmen and allied integrity offices. POA is governed by a board of seven members, of which the Commonwealth Ombudsman, Colin Neave, is the current Chair.

Some of the activities that POA supported in 2014–15 were attendance at the National Investigations Symposium in Sydney, mentoring through a complaint management activity for staff from the Vanuatu Ombudsman office, detention inspections in Samoa as part of its National Human Rights function, placement of a New Zealand Ombudsman officer with the Ombudsman of the Cook Islands, and supply of ICT equipment to the newly established Ombudsman of Tuvalu.

Governance and anti-corruption program in the Pacific region

A new governance and anti-corruption program, focusing on the role of ombudsmen and complaint-handling systems in the Pacific, began in 2014–15. Its aim is to build on the work of POA by using the existing ombudsmen offices to strengthen integrity systems in the Pacific region.

The office is working with individual ombudsmen to identify anti-corruption mechanisms and is developing protocols for a practical and sustainable integrity framework for each country.

The program began with a workshop to bring together ombudsmen and other integrity institutions in the Pacific. The aim of the workshop was to enhance participants' understanding and awareness of corruption, and provide a platform to build a network to share knowledge and explore methods of addressing corruption.

From this we will develop a program to support ombudsmen staff to develop skills in the areas of financial and administrative investigations and writing briefs and reports.

APPENDICES

APPENDIX 1: INFORMATION PUBLICATION SCHEME

The Information Publication Scheme (IPS) applies to Australian Government agencies that are subject to the *Freedom of Information Act 1982*. This scheme requires an agency to publish a broad range of information on their website.

The Commonwealth Ombudsman's Office website makes available the Ombudsman's Information Publication Scheme plan, describing how the office complies with these requirements and giving access to information published under the scheme.

APPENDIX 2: STATISTICS

Office of the Commonwealth Ombudsman – Approaches and Complaints 2014-15

PORTFOLIO/AGENCY	NOT INVESTIGATED			INVESTIGATED			REMEDIES										
	TOTAL RECEIVED	CAT 1	CAT 2	CAT 3	CAT 4	CAT 5	TOTAL FINALISED	ACTION EXPEDITED	APOLOGY	DECISION CHANGED OR RECONSIDERED	DISCIPLINARY ACTION	EXPLANATION	FINANCIAL REMEDY	LAW, POLICY OR PRACTICE CHANGED	OTHER NON-FINANCIAL REMEDY	REMEDY PROVIDED BY AGENCY WITHOUT OMBUDSMAN INTERVENTION	TOTAL REMEDIES
ACT Government	590	239	250	76	38		603	12	4	24		67	3	4	8	18	140
Commonwealth	19642	8847	8842	1604	446	4	19743	207	224	284	51	1515	396	42	183	81	2983
Agriculture	43	19	13	7	2		41	2	1	1		8					12
Attorney-General's	471	193	224	39	12		468	3	7	4		38	2		3	6	63
Commonwealth Parliament	2	1			1		2					1					1
Communications	5690	1728	3468	391	41		5628	31	77	92	28	266	165	9	84	27	779
Courts	74	48	22	2	1		73		1	1	1	2		1			6
Defence	545	178	241	87	47	1	554	15	5	29		68	16	2	6	5	146
Education	18	8	6	3	1		18	1				2	2				5
Education and Training	57	20	24	8	1		53		2	2		6	2				12
Employment	461	239	170	43	10		462	4	6	6	2	56	6	4	1	2	87
Environment	37	16	17	2	2		37		1	1		1					3
Finance	92	30	54	6	3		93		1	1		6		2		1	11
Finance and Deregulation					2		2					1					1
Foreign Affairs and Trade	147	76	56	13	1		146	5		1		14			1		21
Health	74	29	40	9	3	1	82	1		1		9			1		12
Health and Ageing				2			2			1							1

PORTFOLIO/AGENCY	NOT INVESTIGATED			INVESTIGATED			REMEDIES										
	TOTAL RECEIVED	CAT 1	CAT 2	CAT 3	CAT 4	CAT 5	TOTAL FINALISED	ACTION EXPEDITED	APOLOGY	DECISION CHANGED OR RECONSIDERED	DISCIPLINARY ACTION	EXPLANATION	FINANCIAL REMEDY	LAW, POLICY OR PRACTICE CHANGED	OTHER NON-FINANCIAL REMEDY	REMEDY PROVIDED BY AGENCY WITHOUT OMBUDSMAN INTERVENTION	TOTAL REMEDIES
Immigration and Border Protection	1934	842	863	248	46	1	2000	42	11	25	3	171	9	6	23	10	300
Industry	31	10	15	10	3	1	39	1		1		5		1			8
Industry and Science	37	17	18	3	2		40		1			3					4
Infrastructure and Regional Development	69	28	45	7	6		86	2	2	2		15	1	1	1		24
Prime Minister and Cabinet	75	16	31	21	7		75	1	2	1		26	1				31
Social Services	8342	4597	2876	635	224		8332	94	90	98	17	730	173	14	54	30	1300
Treasury	1443	752	659	68	31		1510	5	17	17		87	19	2	9		156
Norfolk Island	3		2				2										
Overseas Student Ombudsman	689	37	404	151	88		680	9	2	110		143	24	7	10	13	318
Private Postal Operators	16	3	11	2			16	1					1				2
OMB/Out of Jurisdiction	7214	6195	1043				7238										
Total	28154	15321	10552	1833	572	4	28282	229	230	418	51	1725	424	53	201	112	3443

APPENDIX 3: ADDITIONAL REPORTING ON POSTAL INDUSTRY OMBUDSMAN

This appendix provides additional reporting on the Postal Industry Ombudsman (PIO) function as required under s 19X of the Ombudsman Act.

Details of the circumstances and number of occasions where the Postal Industry Ombudsman has made a requirement of a person under s 9:

The Postal Industry Ombudsman made no requirements under section 9 during 2014–15.

Details of the circumstances and number of occasions where the holder of the office of the Postal Industry Ombudsman has decided under subsection 19N(3) to deal with, or to continue to deal with, a complaint or part of a complaint in his or her capacity as the holder of the office of the Commonwealth Ombudsman:

There were no occasions where a complaint – or part of a complaint – was transferred from the Postal Industry Ombudsman to the Commonwealth Ombudsman under subsection 19N(3).

Details of recommendations made in reports during the year under section 19V; and statistical information about actions taking during that year as a result of such information:

The Postal Industry Ombudsman made no reports during the year under section 19V.

APPENDIX 4: AGENCY RESOURCE STATEMENT

Agency Resource Statement 2014–15

	ACTUAL AVAILABLE APPROPRIATION FOR 2014–15 \$'000 (a)	PAYMENTS MADE 2014–15 \$'000 (b)	BALANCE 2014–15 \$'000 D(a) – (b)
Ordinary Annual Services¹			
Departmental appropriation ²	30,451	21,076	9,375
Adjustment – actual s74 receipts ³	469	469	-
Adjustment – s51 determination ⁴	(25)	-	(25)
Total resourcing and payments	30,895	21,545	9,350

- 1 Appropriation Act (No. 1) 2014–15 and Appropriation Act (No. 3) 2014–15. This also includes prior year departmental appropriation and S74 relevant agency receipts.
- 2 Includes an available amount of \$0.760m in 2014–15 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contribution by owners'.
- 3 Actual s74 receipts in 2014–15 were \$3.008m compared to the Budget estimate of \$2.539m.
- 4 There was a formal reduction (s51 determination) to Appropriation Act (No.1) 2013–14 of \$0.025m during the financial year, which related to a 2014–15 Budget savings measure.

Resources Summary Table – Expenses for Outcome 1

Outcome 1: Fair and accountable administrative action by Australian Government agencies by investigating complaints, reviewing administrative action and inspecting statutory compliance by law enforcement agencies.

	BUDGET 2014–15 \$'000	ACTUAL EXPENSES 2014–15 \$'000	VARIANCE 2014–15 \$'000
Program 1.1: Office of the Commonwealth Ombudsman			
Departmental expenses			
Departmental appropriation ¹	20,127	20,995	(868)
Expenses not requiring appropriation in the Budget year	725	740	(15)
Total for Program 1.1	20,852	21,735	(883)
Total for Outcome 1	20,852	21,735	(883)
Average Staffing Level (number)	136	135	1

- 1 Departmental Appropriation combines 'Ordinary annual services' (Appropriation Act No. 1 and Appropriation Act No. 3) and 'Revenue from independent sources (S74)'.

APPENDIX 5: FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Prime Minister

I have audited the accompanying annual financial statements of the Office of the Commonwealth Ombudsman for the year ended 30 June 2015, which comprise:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments; and
- Notes to and Forming Part of the Financial Statements comprising a Summary of Significant Accounting Policies and other explanatory information.

Accountable Authority's Responsibility for the Financial Statements

The Commonwealth Ombudsman, as Accountable Authority, is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Commonwealth Ombudsman is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the

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accounting policies used and the reasonableness of accounting estimates made by the Commonwealth Ombudsman, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Office of the Commonwealth Ombudsman:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Office of the Commonwealth Ombudsman as at 30 June 2015 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Kristian Gage
Audit Principal

Delegate of the Auditor-General

Canberra
16 September 2015

OFFICE OF THE COMMONWEALTH OMBUDSMAN

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*, and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Office of the Commonwealth Ombudsman will be able to pay its debts as and when they fall due.



Signed.....

Colin Neave
Commonwealth Ombudsman
Accountable Authority

16 September 2015



Signed.....

Dermot Walsh
Chief Financial Officer

16 September 2015

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
STATEMENT OF COMPREHENSIVE INCOME**

for the period ended 30 June 2015

	Notes	2015 \$	2014 \$
NET COST OF SERVICES			
Expenses			
Employee benefits	3A	16,122,625	15,419,450
Supplier	3B	4,907,218	4,633,554
Depreciation and amortisation	3C	697,321	731,324
Write-down and impairment of assets	3D	7,859	25,510
Total expenses		21,735,024	20,809,838
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	2,600,601	2,052,225
Total own-source revenue		2,600,601	2,052,225
Gains			
Other gains	4B	43,000	43,000
Total gains		43,000	43,000
Total own-source income		2,643,601	2,095,225
Net cost of services		19,091,423	18,714,613
Revenue from Government	4C	18,392,296	18,022,000
Surplus / (Deficit)		(699,127)	(692,613)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		-	541,406
Total other comprehensive income		-	541,406
Total comprehensive (loss)		(699,127)	(151,207)

The above statement should be read in conjunction with the accompanying notes.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Notes	2015 \$	2014 \$
ASSETS			
Financial assets			
Cash and cash equivalents	6A	975,069	471,327
Trade and other receivables	6B	9,327,455	9,297,815
Other financial assets	6C	44,625	72,810
Total financial assets		10,347,149	9,841,952
Non-financial assets			
Land and buildings	7A-C	1,197,993	1,401,182
Property, plant and equipment	7A-C	1,039,686	715,067
Intangibles	7D-E	389,864	339,644
Other non-financial assets	7F	293,995	352,899
Total non-financial assets		2,921,538	2,808,792
Total assets		13,268,688	12,650,744
LIABILITIES			
Payables			
Suppliers	8A	525,744	343,458
Other payables	8B	4,322,288	3,831,419
Total payables		4,848,032	4,174,877
Provisions			
Employee provisions	9A	3,527,494	3,618,578
Other provisions	9B	138,216	138,216
Total provisions		3,665,710	3,756,794
Total liabilities		8,513,742	7,931,671
Net assets		4,754,946	4,719,073
EQUITY			
Contributed equity		5,602,000	4,867,000
Reserves		1,112,416	1,112,416
Accumulated deficit		(1,959,470)	(1,260,343)
Total equity		4,754,946	4,719,073

The above statement should be read in conjunction with the accompanying notes.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2015

	Retained earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Opening balance								
Balance carried forward from previous period	(1,260,343)	(567,730)	1,112,416	571,010	4,867,000	4,348,000	4,719,073	4,351,280
Opening balance	(1,260,343)	(567,730)	1,112,416	571,010	4,867,000	4,348,000	4,719,073	4,351,280
Comprehensive income								
Other comprehensive income	-	-	-	541,406	-	-	-	541,406
Surplus (Deficit) for the period	(699,127)	(692,613)	-	-	-	-	(699,127)	(692,613)
Total comprehensive income (loss)	(699,127)	(692,613)	-	541,406	-	-	(699,127)	(151,207)
of which:								
Attributable to the Australian Government	(699,127)	(692,613)	-	541,406	-	-	(699,127)	(151,207)
Transactions with owners								
Distributions to owners								
Reduction to appropriation	-	-	-	-	(25,000)	(89,000)	(25,000)	(89,000)
Contributions by owners								
Departmental capital budget	-	-	-	-	760,000	608,000	760,000	608,000
Sub-total transactions with owners	-	-	-	-	735,000	519,000	735,000	519,000
Closing balance as at 30 June	(1,959,470)	(1,260,343)	1,112,416	1,112,416	5,602,000	4,867,000	4,754,946	4,719,073
Closing balance attributable to the Australian Government	(1,959,470)	(1,260,343)	1,112,416	1,112,416	5,602,000	4,867,000	4,754,946	4,719,073

The above statement should be read in conjunction with the accompanying notes.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
CASH FLOW STATEMENT
for the period ended 30 June 2015

	Note	2015 \$	2014 \$
OPERATING ACTIVITIES			
Cash received			
Sales of goods and rendering of services		2,825,626	2,459,907
Appropriations		21,439,801	20,788,769
Net GST received		364,784	322,685
Other		118,571	439,283
Total cash received		<u>24,748,782</u>	<u>24,010,644</u>
Cash used			
Employees		15,714,553	15,429,374
Suppliers		5,254,839	5,384,303
Section 74 receipts transferred to the OPA		3,007,816	2,961,701
Total cash used		<u>23,977,208</u>	<u>23,775,378</u>
Net cash from operating activities	10	<u>771,574</u>	<u>235,267</u>
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment		625,387	78,657
Purchase of intangibles		251,444	230,522
Total cash used		<u>876,831</u>	<u>309,179</u>
Net cash (used) by investing activities		<u>(876,831)</u>	<u>(309,179)</u>
FINANCING ACTIVITIES			
Cash received			
Departmental Capital Budget		609,000	459,000
Total cash received		<u>609,000</u>	<u>459,000</u>
Net cash from financing activities		<u>609,000</u>	<u>459,000</u>
Net increase in cash held		<u>503,743</u>	<u>385,088</u>
Cash and cash equivalents at the beginning of the reporting period		471,327	86,239
Cash and cash equivalents at the end of the reporting period	6A	<u>975,069</u>	<u>471,327</u>

The above statement should be read in conjunction with the accompanying notes.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
SCHEDULE OF COMMITMENTS
as at 30 June 2015

	2015	2014
	\$	\$
BY TYPE		
Commitments receivable		
Sale of services	-	110,000
Net GST recoverable on commitments	<u>1,504,784</u>	<u>1,587,704</u>
Total commitments receivable	<u>1,504,784</u>	<u>1,697,704</u>
Commitments payable		
Operating leases	<u>15,024,343</u>	16,931,567
Other	<u>1,528,281</u>	643,175
Total commitments payable	<u>16,552,624</u>	<u>17,574,742</u>
Net commitments by type	<u>15,047,840</u>	<u>15,877,038</u>
BY MATURITY		
Commitments receivable		
Sale of services		
One year or less	<u>-</u>	<u>110,000</u>
Total services income	<u>-</u>	<u>110,000</u>
GST recoverable on commitments		
One year or less	<u>217,163</u>	190,495
From one to five years	<u>652,670</u>	632,474
Over five years	<u>634,951</u>	764,735
Total GST recoverable	<u>1,504,784</u>	<u>1,587,704</u>
Commitments payable		
Operating lease commitments		
One year or less	<u>1,899,298</u>	1,907,224
From one to five years	<u>6,140,586</u>	6,612,255
Over five years	<u>6,984,459</u>	8,412,088
Total operating lease commitments	<u>15,024,343</u>	<u>16,931,567</u>
Other Commitments		
One year or less	<u>489,496</u>	298,216
From one to five years	<u>1,038,785</u>	344,959
Total other commitments	<u>1,528,281</u>	643,175
Net commitments by maturity	<u>15,047,840</u>	<u>15,877,038</u>

NB: Commitments are GST inclusive where relevant.

This schedule should be read in conjunction with the accompanying notes.

The other commitments payable relate to office administration contracts including ICT services, internal audit and travel management services.

Operating leases included are effectively non-cancellable and comprise leases for office

General description of all leasing arrangements (the office was the lessee)

Leases for office accommodation: lease payments for Canberra, Adelaide, Melbourne and Brisbane were subject to a fixed rate increase in accordance with each contract. The initial periods of office accommodation leases are still current.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015**

Note

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**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015**

Note 1: Summary of Significant Accounting Policies

1.1 Office of the Commonwealth Ombudsman Objectives

The Office of the Commonwealth Ombudsman is an Australian Government controlled entity. It is a not for profit entity. The objective of the Office is to assist the Commonwealth Ombudsman to carry out his duties and responsibilities under the *Ombudsman Act 1976* and other relevant legislation.

The Office is structured to meet one outcome:

Fair and accountable administrative action by Australian Government agencies by investigating complaints, reviewing administrative action and inspecting statutory compliance by law enforcement agencies.

The continued existence of the Office in its present form and with its present programmes is dependent on Government policy and on continuing appropriations by Parliament for the Office's administration and programs.

The Office's activities contributing toward this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Office in its own right.

1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The Financial Statements have been prepared in accordance with the:

- a) Financial Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014; and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the note of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015**

Note 1: Summary of Significant Accounting Policies

1.3 Significant Accounting Judgements and Estimates

No accounting assumptions or estimates or other judgements have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The following standard was issued prior to the signing of the statement by the accountable authority and chief financial officer, was applicable to the current reporting period and had a material effect on the agency's financial statements:

- *AASB 1055 Budgetary Reporting* (March 2013) (operative from 1 July 2014). The disclosure requires the inclusion of the budgeted figures from the Portfolio Budget Statements (PBS) to be disclosed with material variances against actuals explained. This disclosure will provide users with information relevant to assessing the performance of an entity, including accountability for resources entrusted to it.

All other new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on the agency's financial statements.

Consistent with section 19 of the FRRs, the Office has decided to adopt the amendments to *AASB 13 - Fair Value Measurement* for the 2015 financial year. These amendments reduce the fair value measurement of property, plant and equipment assets required disclosure which was previously required for assets primarily held for internal or policy use, rather than to earn revenue. More specifically, the disclosure is no longer required for quantitative information regarding the significant unobservable inputs used in fair value measurements and the sensitivity of certain fair value measurements to changes in unobservable inputs.

There have been no further new standards, revised standards, amended standards or interpretations that were issued by the AASB prior to the sign off date, which are applicable to the current reporting period and have a material financial impact on the Office.

Future Australian Accounting Standard Requirements

New standards, reissued standards, amendments to standards or interpretations ("the new requirements") applicable to future reporting periods have been issued by the Australian Accounting Standards Board during the year. It is anticipated that the new requirements will have no material financial impact on future reporting periods.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015**

Note 1: Summary of Significant Accounting Policies

1.5 Revenue

Other Types of Revenue

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

The majority of revenue received by the Office relates to the ACT Ombudsman service provided to the ACT Government and international programmes funded by the Department of Foreign Affairs and Trade.

Revenue from Government

Amounts appropriated for departmental outcomes for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Office gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

1.6 Gains

Resources Received Free of Charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government Office or authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015**

Note 1: Summary of Significant Accounting Policies

1.7 Transactions with the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Office is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Office's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the estimated future cash flows to be made in respect to all employees as at 30 June 2015. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Office recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Employees of the Office are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other contributory funds as nominated by the employee.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and the other funds are defined contribution schemes.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance as an administered item.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015**

Note 1: Summary of Significant Accounting Policies

The Office makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Office accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final nine working days of the year.

1.9 Leases

An operating lease is a lease when the lessor effectively retains substantially all such risks and benefits.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.10 Fair Value Measurement

The Office deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

1.11 Cash

Cash and cash equivalents includes cash on hand, cash held by outsiders, demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.12 Financial Assets

The Office classifies its financial assets as loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015**

Note 1: Summary of Significant Accounting Policies

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

1.13 Financial Liabilities

Financial liabilities are recognised and derecognised upon 'trade date'.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

The Office had no contingent assets or liabilities in 2015 (2014: Nil).

The Office has identified in its contracts and leases a number of indemnity provisions. None of these are quantifiable and all are considered remote. There are no existing or likely claims of which the Office is aware (2014: nil).

1.15 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015**

Note 1: Summary of Significant Accounting Policies

1.16 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, 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).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the Office where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Office's leasehold improvements with a corresponding provision for the 'makegood' recognised.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset Class	Fair value measured at:
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market selling price

Following initial recognition at cost, property plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

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

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2015	2014
Leasehold improvements	Lease term	Lease term
Plant and Equipment	3 to 10 years	3 to 10 years

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015**

Note 1: Summary of Significant Accounting Policies

Impairment

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Office were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.17 Intangibles

The Office's intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Office's software are 1 to 8 years (2014: 1 to 8 years).

All software assets were assessed for indications of impairment as at 30 June 2015.

1.18 Taxation

The Office is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

1.19 Constitutional breach risk

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth [2014] HCA 23*, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

Note 2: Events After the Reporting Period

The *Private Health Insurance Amendment Act 2015* (the Act) provides for the merger of the Private Health Insurance Ombudsman (PHIO) functions with the Office of the Commonwealth Ombudsman on 1 July 2015.

PHIO ceased as a separate entity and its assets, liabilities, funding, policy and programme responsibilities transferred to the Office on 1 July 2015.

There were no other subsequent events.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 3: Expenses

	2015	2014
	\$	\$
Note 3A: Employee Benefits		
Wages and salaries	11,353,255	11,666,730
Superannuation:		
Defined contribution plans	842,361	841,373
Defined benefit plans	1,280,050	1,328,722
Leave and other entitlements	1,644,525	1,525,362
Separation and redundancies	1,002,434	57,263
Total employee benefits	16,122,625	15,419,450
Note 3B: Suppliers		
Goods and services		
Travel	823,432	655,088
Information technology and communications	589,714	632,869
Employee related	467,030	348,853
Property operating expenses	297,130	308,885
Media related	131,955	188,395
Consultants and contractors	246,940	231,351
Printing, stationery and postage	78,583	106,200
Legal	667	41,080
Other	228,883	235,525
Total goods and services	2,864,334	2,748,246
Goods and services are received in connection with:		
Provision of goods – external parties	124,531	144,428
Rendering of services – related entities	330,377	337,729
Rendering of services – external parties	2,409,426	2,266,089
Total goods and services	2,864,334	2,748,246
Other supplier expenses		
Operating lease rentals – external parties:		
Minimum lease payments	1,579,681	1,589,645
Workers compensation expenses	463,203	295,663
Total other supplier expenses	2,042,884	1,885,308
Total supplier expenses	4,907,218	4,633,554
Note 3C: Depreciation and Amortisation		
Depreciation:		
Leasehold improvements	233,117	288,945
Property, plant and equipment	262,981	291,429
Amortisation:		
Intangibles - Computer Software	201,223	150,950
Total depreciation and amortisation	697,321	731,324
Note 3D: Write-Down and Impairment of Assets		
Asset write-downs and impairments from:		
Impairment of property, plant and equipment	7,859	25,510
Total write-down and impairment of assets	7,859	25,510

Note 4: Own-Source Income

	2015	2014
	\$	\$
OWN-SOURCE REVENUE		
Note 4A: Sale of Goods and Rendering of Services		
Rendering of services - related entities	1,569,103	1,036,388
Rendering of services - external parties	<u>1,031,498</u>	<u>1,015,837</u>
Total sale of goods and rendering of services	<u>2,600,601</u>	<u>2,052,225</u>
Note 4B: Other Gains		
Resources received free of charge		
Remuneration of auditors	<u>43,000</u>	43,000
Total other gains	<u>43,000</u>	<u>43,000</u>
REVENUE FROM GOVERNMENT		
Note 4C: Revenue from Government		
Appropriations:		
Departmental appropriation	<u>18,392,296</u>	18,022,000
Total revenue from Government	<u>18,392,296</u>	<u>18,022,000</u>

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 5: Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 5A: Fair Value Measurements, Valuation Techniques and Inputs Used

	Fair value measurements at the end of the reporting period			Valuation techniques ¹
	2015 \$	2014 \$	Category (Level 1, 2 or 3)	
Non-financial assets:				
Leasehold improvements	1,197,993	1,399,682	Level 3	Cost Approach
Property, plant and equipment	1,039,686	715,067	Level 2	Market Approach
Total non-financial assets	2,237,679	2,114,749		

(a) All non-financial assets were measured at fair value in the statement of financial position.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2015

Note 6: Financial Assets

	2015	2014
	\$	\$
Note 6A: Cash and Cash Equivalents		
Cash on hand or on deposit	975,069	471,327
Total cash and cash equivalents	975,069	471,327
Note 6B: Trade and Other Receivables		
Good and Services:		
Goods and services - related entities	183,468	261,235
Goods and services - external parties	798	26
Total receivables for goods and services	184,266	261,261
Appropriations receivable:		
For existing programmes	9,047,640	8,961,329
Total appropriations receivable	9,047,640	8,961,329
Other receivables:		
GST receivable from the Australian Taxation Office	95,549	75,225
Total trade and other receivables (gross)	9,327,455	9,297,815
Receivables are expected to be recovered within 12 months.		
Receivables are aged as follows:		
Not overdue	9,311,710	9,297,815
Overdue by:		
31 to 60 days	15,745	-
Total trade and other receivables (gross)	9,327,455	9,297,815
No receivables are deemed to be impaired as at 30 June 2015.		
Note 6C: Other Financial Assets		
Lease incentives	44,625	72,810
Total other financial assets	44,625	72,810

Total other financial assets are expected to be recovered within the term of the lease.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 7: Non-Financial Assets

	2015 \$	2014 \$
Note 7A: Land and Buildings		
Leasehold improvements:		
Fair value	1,440,286	1,408,858
Work in progress	-	1,500
Accumulated depreciation	<u>(242,293)</u>	<u>(9,176)</u>
Total leasehold improvements	1,197,993	1,401,182
Total Land and Buildings	1,197,993	1,401,182
Note 7B: Property, Plant and Equipment		
Other property, plant and equipment:		
Fair value	1,281,927	719,804
Accumulated depreciation	<u>(242,241)</u>	<u>(4,737)</u>
Total other property, plant and equipment	1,039,686	715,067

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. An independent valuer conducted the revaluations as at 30 June 2014.

No indicators of impairment were found for property, plant and equipment.

Note 7C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2014-15)

	Leasehold improvements \$	Other property, plant & equipment \$	Total \$
As at 1 July 2014			
Gross book value	1,410,358	719,804	2,130,162
Accumulated depreciation and impairment	<u>(9,176)</u>	<u>(4,737)</u>	<u>(13,913)</u>
Net book value 1 July 2014	1,401,182	715,067	2,116,249
Additions:			
By purchase	29,928	595,459	625,387
Depreciation expense	(233,117)	(262,981)	(496,098)
Disposals:			
Other	-	(7,859)	(7,859)
Net book value 30 June 2015	1,197,993	1,039,686	2,237,679
Net book value as of 30 June 2015 represented by:			
Gross book value	1,440,286	1,281,927	2,722,213
Accumulated depreciation	<u>(242,293)</u>	<u>(242,241)</u>	<u>(484,534)</u>
Net book value 30 June 2015	1,197,993	1,039,686	2,237,679

OFFICE OF THE COMMONWEALTH OMBUDSMAN
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2015

Note 7: Non-Financial Assets

Note 7C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2013-14)

	Leasehold improvements \$	Other property, plant & equipment \$	Total \$
As at 1 July 2013			
Gross book value	1,886,936	1,471,155	3,358,091
Accumulated depreciation and impairment	(601,925)	(668,526)	(1,270,451)
Net book value 1 July 2013	1,285,011	802,629	2,087,640
Additions:			
By purchase	15,192	63,465	78,657
Revaluations recognised in the operating result	389,924	165,912	555,836
Depreciation expense	(288,945)	(291,429)	(580,374)
Disposals:			
Other	-	(25,510)	(25,510)
Net book value 30 June 2014	1,401,182	715,067	2,116,249
Net book value as of 30 June 2014 represented by:			
Gross book value	1,410,358	719,804	2,130,162
Accumulated depreciation	(9,176)	(4,737)	(13,913)
Net book value 30 June 2014	1,401,182	715,067	2,116,249

OFFICE OF THE COMMONWEALTH OMBUDSMAN
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2015

Note 7: Non-Financial Assets

	2015	2014
	\$	\$
Note 7D: Intangibles		
Computer software:		
Purchased	1,756,098	1,657,588
Work in progress	132,430	35,064
Accumulated amortisation	<u>(1,498,664)</u>	<u>(1,353,008)</u>
Total computer software	<u>389,864</u>	<u>339,644</u>
Total intangibles	<u>389,864</u>	<u>339,644</u>

Impairment tests were carried out during the year which resulted in no assets being impaired (2014: Nil).

Note 7E: Reconciliation of the Opening and Closing Balances of Intangibles (2014-15)

	Computer software purchased \$
As at 1 July 2014	
Gross book value	1,692,652
Accumulated amortisation and impairment	<u>(1,353,008)</u>
Net book value 1 July 2014	<u>339,644</u>
Additions:	
By purchase	154,077
Internally developed	97,367
Impairments recognised in the operating result	
Amortisation	<u>(201,223)</u>
Net book value 30 June 2015	<u>389,864</u>
Net book value as of 30 June 2015 represented by:	
Gross book value	1,888,528
Accumulated amortisation and impairment	<u>(1,498,664)</u>
Net book value 30 June 2015	<u>389,864</u>

OFFICE OF THE COMMONWEALTH OMBUDSMAN
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2015

Note 7: Non-Financial Assets

Note 7E: Reconciliation of the Opening and Closing Balances of Intangibles (2013-14)

	Computer software purchased \$
As at 1 July 2013	
Gross book value	1,464,218
Accumulated amortisation and impairment	(1,204,147)
Net book value 1 July 2013	260,071
Additions:	
By purchase	196,734
Internally developed	33,789
Impairments recognised in the operating result	
Amortisation	(150,950)
Net book value 30 June 2014	339,644
Net book value as of 30 June 2014 represented by:	
Gross book value	1,692,652
Accumulated amortisation and impairment	(1,353,008)
Net book value 30 June 2014	339,644

	2015 \$	2014 \$
Note 7F: Other Non-Financial Assets		
Prepayments	293,995	352,899
Total other non-financial assets	293,995	352,899

No indicators of impairment were found for other non-financial assets.
 Total other non-financial assets are expected to be recovered in within 12 months.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 8: Payables

	2015	2014
	\$	\$
Note 8A: Suppliers		
Trade creditors and accruals	525,744	343,458
Total supplier payables	<u>525,744</u>	<u>343,458</u>
Supplier payables are expected to be settled within 12		
Related entities	76,052	67,161
External parties	449,692	276,297
Total supplier payables	<u>525,744</u>	<u>343,458</u>
Settlement is usually made within 30 days.		
Note 8B: Other Payables		
Salaries and wages	559,024	414,462
Superannuation	72,839	65,562
Separations and redundancies	348,621	-
Lease incentives	1,273,799	1,464,704
Fixed lease increase	1,209,488	1,105,848
Unearned income	723,198	721,855
Other	135,319	58,988
Total other payables	<u>4,322,288</u>	<u>3,831,419</u>
Total other payables are expected to be settled in:		
No more than 12 months	2,105,352	1,471,882
More than 12 months	2,216,936	2,359,537
Total operating leases	<u>4,322,288</u>	<u>3,831,419</u>

OFFICE OF THE COMMONWEALTH OMBUDSMAN
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2015

Note 9: Provisions

	2015	2014
	\$	\$
Note 9A: Employee Provisions		
Leave	3,378,152	3,618,578
Separations and redundancies	<u>149,342</u>	-
Total employee provisions	<u>3,527,494</u>	<u>3,618,578</u>
Employee provisions are expected to be settled in:		
No more than 12 months	1,558,773	1,177,076
More than 12 months	<u>1,968,721</u>	<u>2,441,502</u>
Total employee provisions	<u>3,527,494</u>	<u>3,618,578</u>
Note 9B: Other Provisions		
Provision for restoration obligations	<u>138,216</u>	138,216
Total other provisions	<u>138,216</u>	<u>138,216</u>
Other provisions are expected to be settled in:		
No more than 12 months	68,400	-
More than 12 months	<u>69,816</u>	138,216
Total other provisions	<u>138,216</u>	<u>138,216</u>

There was no change in the carry amount of the provision for restorations in 2014-15 (2014: \$14,430)

The Office currently has three agreements (2014: three) for the leasing of premises which have provisions requiring the Office to restore the premises to their original condition at the conclusion of the lease. The Office has made a provision to reflect the value of this obligation. Adjustments to provisions have been taken to the asset revaluation surplus.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 10: Cash Flow Reconciliation

	2015	2014
	\$	\$
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash flow statement	975,069	471,327
Statement of Financial Position	975,069	471,327
Difference	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(19,091,423)	(18,714,613)
Add revenue from Government	18,392,296	18,022,000
Adjustments for non-cash items		
Depreciation / amortisation	697,321	731,324
Net write down of non-financial assets	7,859	25,510
Changes in assets / liabilities		
(Increase) / decrease in net receivables	96,361	(372,673)
decrease in other financial assets	30,533	47,190
(Increase) in prepayments	(6,537)	(121,692)
Increase in employee provisions	107,166	103,463
Increase / (decrease) in supplier payables	623,919	(46,738)
Increase / (decrease) in other payable	(85,922)	561,495
Net cash from (used by) operating activities	<u>771,574</u>	<u>235,267</u>

OFFICE OF THE COMMONWEALTH OMBUDSMAN
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2015

Note 11: Senior Management Personnel Remuneration

Note 11: Substantive Senior Executive Remuneration Expense for the Reporting Period

	2015	2014
	\$	\$
Short-term employee benefits:		
Salary	1,406,081	1,405,289
Motor vehicle and other allowances	141,514	151,835
Total short-term employee benefits	<u>1,547,595</u>	<u>1,557,125</u>
Post-employment benefits:		
Superannuation	246,299	236,281
Total post-employment benefits	<u>246,299</u>	<u>236,281</u>
Other long-term benefits:		
Annual leave accrued	118,095	103,362
Long-service leave	37,726	44,895
Total other long-term benefits	<u>155,821</u>	<u>148,257</u>
Total	<u>1,949,715</u>	<u>1,941,663</u>

The total number of senior management personnel that are included in the above table are 7 individuals (2014: 7 individuals).

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 12: Financial Instruments

	Note	2015 \$	2014 \$
Note 12A: Categories of Financial Instruments			
Financial Assets			
Loans and receivables:			
Cash and cash equivalents	6A	975,069	471,327
Trade and other receivables	6B	184,266	261,261
Carrying amount of financial assets		1,159,335	732,588
Financial Liabilities			
At amortised cost:			
Supplier payables	8A	525,744	343,458
Carrying amount of financial liabilities		525,744	343,458

Note 12B: Net Income and Expense from Financial Assets

The net income and expense from financial assets not at fair value from profit and loss is nil (2014: nil).

Note 12C: Net Income and Expense from Financial Liabilities

The net income/expense from financial liabilities not at fair value from profit and loss is nil (2014: nil).

Note 12D: Fair Value of Financial Instruments

The fair values of the financial instruments approximates their carrying amounts.

Note 12E: Credit Risk

The Office is exposed to minimal credit risk due to the nature of its financial assets. The maximum exposure to credit risk is the amount held as trade and other receivables should default occur, \$184,266 (2014: \$261,261). The risk of default on these amounts was assessed to be nil as at 30 June 2015 (2014: nil).

Ageing of financial assets that are past due can be found in note 6B.

Note 12F: Liquidity Risk

The Office's exposure to liquidity risk is minimal due to the appropriation funding mechanisms available from the Department of Finance. The office manages liquidity risk through its policies and procedures.

Maturities for non-derivative financial liabilities 2015

	On demand	within 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
	\$	\$	\$	\$	\$	\$
Supplier payables	-	525,744	-	-	-	525,744
Total	-	525,744	-	-	-	525,744

Maturities for non-derivative financial liabilities 2015

	On demand	within 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
	\$	\$	\$	\$	\$	\$
Supplier payables	-	343,458	-	-	-	343,458
Total	-	343,458	-	-	-	343,458

The Office has no derivative financial liabilities in both the current and prior year.

Note 12G: Market Risk

The Office holds only basic financial instruments that do not pose any market risk. The Office is not exposed to currency risk or other price risk.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2015

Note 13: Financial Assets Reconciliation

	Notes	2015 \$	2014 \$
<u>Financial Assets</u>			
Total financial assets as per the Statement of Financial Position		10,347,149	9,841,952
Less: non-financial instrument components:			
Appropriations receivable	6B	9,047,640	8,961,329
Other receivables	6B,C	140,174	148,035
Total non-financial instrument components		<u>9,187,814</u>	<u>9,109,364</u>
Total financial assets as per the financial instrument note		1,159,335	732,588

OFFICE OF THE COMMONWEALTH OMBUDSMAN
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2015

Note 14: Appropriations

Table A: Annual Appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2015

	Appropriation Act		PGPA Act		Total appropriation	Appropriation applied (current and prior years)	Variance ^(b)	Section 51 determinations ^(c)
	Annual Appropriation	AFM	Section 74	Section 75				
	\$	\$	\$	\$	\$	\$	\$	\$
DEPARTMENTAL								
Ordinary annual services	18,480,296	-	3,007,816	-	21,488,112	21,545,059	(56,947)	(15,704)
Other services	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-
Total departmental	18,480,296	-	3,007,816	-	21,488,112	21,545,059	(56,947)	(15,704)

Notes:

- (a) In 2014-15 there was an adjustment that met the recognition criteria of a formal addition in revenue of \$672,000, which was additional funding for redundancy costs (in accordance with FRR Part 6 Div 3) but at law the appropriation had not been amended before the end of the reporting period.
- (b) The variance of \$56,947 in ordinary annual services was primarily due to separation and redundancy payments.
- (c) \$15,704 was permanently quarantined due to WoAG ICT Internet Based Network Connection Services Panel Procurement Savings.

Annual Appropriations for 2014

	Appropriation Act			FMA Act			Total appropriation	Appropriation applied (current and prior years)	Variance ^(d)
	Annual Appropriation	Appropriations reduced ^(a)	AFM ^(b)	Section 30	Section 31	Section 32			
	\$	\$	\$	\$	\$	\$	\$	\$	\$
DEPARTMENTAL									
Ordinary annual services	18,630,000	(89,000)	-	-	2,961,701	-	21,502,701	20,862,681	640,020
Other services	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Total departmental	18,630,000	(89,000)	-	-	2,961,701	-	21,502,701	20,862,681	640,020

Notes:

- (a) Appropriations reduced under Appropriation Acts (No.1,3,5) 2013-14: sections 10, 11, and 12 and under Appropriation Acts (No.2,4,6) 2013-14: sections 12,13, and 14. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request that the Finance Minister reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. In 2014 there was a reduction of \$89,000 pertaining to whole of government savings.
- (b) Advance to the Finance Minister (AFM) - Appropriation Acts (Nos. 1,3&5) 2013-14: reduction 13 and Appropriation Acts (Nos. 2,4&6) 2013-14: section 15.
- (c) There was an \$25,000 reduction to Appropriation Act (No.1) 2013-14 that met the recognition criteria of a formal reduction in revenue (in accordance with FMO Div 101) but at law the appropriations had not been amended before the end of the reporting period.
- (d) The variance of \$0.64m in ordinary annual services was primarily due unspent departmental capital budget.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 14: Appropriations

Table B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive')

Appropriation Act	2015 Capital Budget Appropriations		Capital Budget Appropriations applied in 2015 (current and prior years)			
	Annual Capital Budget	PGPA Act Section 75	Total Capital Budget Appropriations	Payments for non-financial assets ^(b)	Total payments	Variance ^(c)
	\$	\$	\$	\$	\$	\$
DEPARTMENTAL						
Ordinary annual services -						
Departmental Capital Budget ^(a)	760,000	-	760,000	876,831	876,831	(116,831)

Notes:

(a) Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

(b) Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised and costs incurred to make good an asset to its original condition.

(c) The increase in 2014-15 related to the desktop and server replacement program.

	2014 Capital Budget Appropriations			Capital Budget Appropriations applied in			Variance
	Appropriation Act	FMA Act	Total Capital Budget	Payments for non-financial assets ³	Payments for other purposes	Total payments	
	Annual Capital Budget	Appropriations reduced ²	Section 32	Appropriations			
	\$	\$	\$	\$	\$	\$	\$
DEPARTMENTAL							
Ordinary annual services -							
Departmental Capital Budget ¹	608,000	-	-	608,000	309,179	-	309,179
							298,821

Notes:

(a) Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

(b) Appropriations reduced under Appropriation Acts (No.1,3,5) 2012-13: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.

(c) Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2015

Note 14: Appropriations

Table C: Unspent Annual Appropriations ('Recoverable GST exclusive')

Authority	2015 \$	2014 \$
DEPARTMENTAL		
2012-13 Appropriation Act 1 - Departmental Capital Budget	-	609,000
2013-14 Appropriation Act 1	-	8,215,657
2013-14 Appropriation Act 1 - Departmental Capital Budget	608,000	608,000
2014-15 Appropriation Act 1	7,982,710	-
2014-15 Appropriation Act 1 - Departmental Capital Budget	760,000	-
Total	9,350,710	9,432,657

Notes 15: Reporting of Outcomes**Note 15: Net Cost of Outcome Delivery**

The Office has one outcome, therefore the Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcomes table has not been prepared.

Note 16: Net Cash Appropriation Arrangements

	2015	2014
	\$	\$
Total comprehensive income (loss)		
less depreciation/amortisation		
expenses previously funded through		
revenue appropriations¹	(1,806)	580,117
Plus: depreciation/amortisation expenses		
previously funded through revenue		
appropriation	(697,321)	(731,324)
Total comprehensive (loss) - as per		
the Statement of Comprehensive		
Income	(699,127)	(151,207)

(a) From 2010-11 the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 17: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2014-15 Portfolio Budget Statements (PBS) to the 2014-15 final outcome as presented in accordance with Australian Accounting Standards for the entity. The Budget is not audited.

Variances are considered to be 'major' based on the following criteria:

- the variance between Budget and actual is greater than 10%; or
- the variance between Budget and actual is greater than 10% of the relevant category (Income, Expenses and Equity totals); or
- an item below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the Office.

Note 17A: Departmental Budgetary Reports

Statement of Comprehensive Income
for the period ended 30 June 2015

	Actual	Budget estimate	
	2015	Original ¹ 2015	Variance ² 2015
	\$	\$	\$
NET COST OF SERVICES			
Expenses			
Employee benefits	16,122,625	14,736,000	1,386,625
Suppliers	4,907,218	4,201,000	706,218
Depreciation and amortisation	697,321	680,000	17,321
Write-down and impairment of assets	7,859	-	7,859
Total expenses	21,735,024	19,617,000	2,118,024
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	2,600,601	1,695,000	905,601
Total own-source revenue	2,600,601	1,695,000	905,601
Gains			
Other gains	43,000	43,000	-
Total gains	43,000	43,000	-
Total own-source income	2,643,601	1,738,000	905,601
Net (cost of)/contribution by services	19,091,423	17,879,000	1,212,423
Revenue from Government	18,392,296	17,199,000	1,193,296
Surplus/(Deficit) attributable to the Australian Government	(699,127)	(680,000)	(19,127)
Total comprehensive income/(loss) attributable to the Australian Government	(699,127)	(680,000)	(19,127)

(a) The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

(b) Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2015

Note 17: Budgetary Reports and Explanations of Major Variances

Statement of Financial Position
 as at 30 June 2015

	Actual	Budget estimate	
	2015	Original ¹	Variance ²
	\$	\$	\$
ASSETS			
Financial assets			
Cash and cash equivalents	975,069	114,000	861,069
Trade and other receivables	9,327,455	8,797,000	530,455
Other financial assets	44,625	45,000	(375)
Total financial assets	10,347,150	8,956,000	1,391,150
Non-financial assets			
Land and buildings	1,197,993	1,229,752	(31,759)
Property, plant and equipment	1,039,686	1,067,248	(27,562)
Intangibles	389,864	451,000	(61,136)
Other non-financial assets	293,995	261,000	32,995
Total non-financial assets	2,921,538	3,009,000	(87,462)
Total assets	13,268,688	11,965,000	1,303,688
LIABILITIES			
Payables			
Suppliers	525,744	490,000	35,744
Other payables	4,322,288	2,479,000	1,843,288
Total payables	4,848,032	2,969,000	1,879,032
Provisions			
Employee provisions	3,527,494	4,106,000	(578,506)
Other provisions	138,216	111,000	27,216
Total provisions	3,665,710	4,217,000	(551,290)
Total liabilities	8,513,742	7,186,000	1,327,742
Net assets	4,754,946	4,779,000	(24,054)
EQUITY			
Parent entity interest			
Contributed equity	5,602,000	5,716,000	(114,000)
Reserves	1,112,416	1,033,000	79,416
Retained surplus/(Accumulated deficit)	(1,959,470)	(1,970,000)	10,530
Total parent entity interest	4,754,946	4,779,000	(24,054)

(a) The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

(b) Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 17A: Departmental Budgetary Reports

Statement of Changes in Equity
for the period ended 30 June 2015

55.6(c) & (e)	Retained earnings			Asset revaluation surplus			Contributed equity/capital			Total equity		
	Actual	Budget estimate		Actual	Budget estimate		Actual	Budget estimate		Actual	Budget estimate	
		Original ¹	Variance ²		Original ¹	Variance ²		Original ¹	Variance ²		Original ¹	Variance ²
	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance												
Balance carried forward from previous period	(1,260,343)	(1,290,000)	29,657	1,112,416	1,033,000	79,416	4,867,000	4,956,000	(89,000)	4,719,073	4,699,000	20,073
Opening balance	(1,260,343)	(1,290,000)	29,657	1,112,416	1,033,000	79,416	4,867,000	4,956,000	(89,000)	4,719,073	4,699,000	20,073
Comprehensive income												
Surplus/(Deficit) for the period	(699,127)	(680,000)	(19,127)	-	-	-	-	-	-	(699,127)	(680,000)	(19,127)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	(699,127)	(680,000)	(19,127)	-	-	-	-	-	-	(699,127)	(680,000)	(19,127)
Total comprehensive income attributable to												
Australian Government	(699,127)	(680,000)	(19,127)	-	-	-	-	-	-	(699,127)	(680,000)	(19,127)
Transactions with owners												
Distributions to owners												
Reduction to appropriation	-	-	-	-	-	-	(25,000)	-	(25,000)	(25,000)	-	(25,000)
Contributions by owners												
Departmental capital budget	-	-	-	-	-	-	760,000	760,000	-	760,000	760,000	-
Restructuring	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	735,000	760,000	(25,000)	735,000	760,000	(25,000)
Transfers between equity components	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance as at 30 June	(1,959,470)	(1,970,000)	10,530	1,112,416	1,033,000	79,416	5,602,000	5,716,000	(114,000)	4,754,946	4,779,000	(24,054)

- (a) The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements).
(b) Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 17A: Departmental Budgetary Reports

Cash Flow Statement

for the period ended 30 June 2015

	Actual	Budget estimate	
	2015	Original ¹	Variance ²
	2015	2015	2015
	\$	\$	\$
OPERATING ACTIVITIES			
Cash received			
Sale of goods and rendering of services	2,825,626	1,733,000	1,092,626
Appropriations	21,439,801	17,841,000	3,598,801
Net GST received	364,784	-	364,784
Other	118,571	-	118,571
Total cash received	24,748,782	19,574,000	5,174,782
Cash used			
Employees	15,714,553	15,172,000	542,553
Suppliers	5,254,839	4,402,000	852,839
Section 74 receipts transferred to OPA	3,007,816	-	3,007,816
Total cash used	23,977,208	19,574,000	4,403,208
Net cash from/(used by) operating activities	771,574	-	771,574
INVESTING ACTIVITIES			
Cash used			
Purchase of property; plant and equipment; and intangibles	876,831	760,000	116,831
Total cash used	876,831	760,000	116,831
Net cash from/(used by) investing activities	(876,831)	(760,000)	(116,831)
FINANCING ACTIVITIES			
Cash received			
Contributed equity	609,000	760,000	(151,000)
Total cash received	609,000	760,000	(151,000)
Net cash from/(used by) financing activities	609,000	760,000	(151,000)
Net increase/(decrease) in cash held	503,743	-	503,743
Cash and cash equivalents at the beginning of the reporting period	471,327	114,000	357,327
Cash and cash equivalents at the end of the reporting period	975,069	114,000	861,069

(a) The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

(b) Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015**

Note 17B: Departmental Major Budget Variances for 2015

Explanations of major variances	Affected line items (and statement)
<p><u>Employee benefits</u></p> <p>The \$1.387m variance from the original budget mainly comprised:</p> <ul style="list-style-type: none"> - \$0.537m of costs associated with the tax complaints handling function, which was reinstated at 2014-15 Additional Estimates [pending passage of legislation to transfer the function to the Inspector-General of Taxation] - \$1.002m in unforeseen separation and redundancy expenses associated with the re-profiling and restructure of the Office. 	<p><i>Revenue from Government, Employee benefits expense (Statement of Comprehensive Income), Employee provisions (Statement of Financial Position), Operating cash received - Appropriations, Operating cash used - employees (Cash Flow Statement)</i></p>
<p><u>Suppliers</u></p> <p>The variance of \$0.706m from the original budget mainly related to higher than expected workers compensation insurance (\$0.222m) and higher than anticipated international programme activity funded by the Department of Foreign Affairs and Trade. This funding is for our work in actively supporting ombudsmen in the Asia Pacific region by:</p> <ul style="list-style-type: none"> • supporting peer relationships and networks • directly assisting individual offices to build their organisational capacity. 	<p><i>Suppliers expense and Sale of goods and rendering of services (Statement of Comprehensive Income), Operating cash used - suppliers (Cash Flow Statement)</i></p>
<p><u>Sales of goods and rendering of services</u></p> <p>As mentioned above in Suppliers, there was higher than anticipated international programme activity funded by the Department of Foreign Affairs and Trade.</p>	<p><i>Sale of goods and rendering of services (Statement of Comprehensive Income), Operating cash received - Sale of goods and rendering of services (Cash Flow Statement)</i></p>
<p><u>Cash and cash equivalents</u></p> <p>The large variance in the cash balance is associated with cash management arrangements between the Office and the payroll provider.</p>	<p><i>Cash and cash equivalents and Other payables (Statement of Financial Position)</i></p>
<p><u>Other payables</u></p> <p>The variance of \$1.843m from the original budget relates to the cash management arrangements mentioned above and \$0.350m provision for unforeseen separation and redundancies.</p>	<p><i>Cash and cash equivalents and Other payables (Statement of Financial Position)</i></p>

REFERENCES

GLOSSARY

TERM	DEFINITION
Australian Federal Police (AFP) complaint categories	Category 1—minor management or customer service matters Category 2—minor misconduct Category 3—serious misconduct Category 4—conduct giving rise to a corruption issue.
Approach	A contact with the office about a new matter regarding one of our core business functions (usually classed as Category 1 and 2).
Category	Approaches are divided into five categories based on whether the approach is investigated or not, potential sensitivities and the degree of effort required to finalise the approach.
Category 1—Initial approach (approach)	An approach that was resolved by a single communication (e.g. referral to a more appropriate agency) and the discretion not to investigate was applied.
Category 2—Further assessment (approach)	An approach that required further communication and/or assessment (e.g. internal enquiries/research or more information from the complainant) and the discretion not to investigate was applied.
Category 3—Investigation (complaint)	An approach investigated via formal contact with the agency that is the subject of the complaint in order to resolve the matter.
Category 4—Further investigation (complaint)	An approach that required two or more substantive contacts with the agency that is the subject of the complaint in order to resolve the matter.
Category 5—Formal reports (complaint)	An approach where the matter complained about was identified as significant and an appropriate outcome could not be negotiated with the agency.
Closed approach	An approach that has been finalised.
Community detention	A form of immigration detention that enables people in detention to reside and move about freely in the community without needing to be accompanied or restrained by an officer under the Migration Act 1958.
Compensation for Detriment caused by Defective Administration (CDDA) scheme	A scheme that allows Australian Government agencies under the Financial Management and Accountability Act 1997 to provide discretionary compensation to people who have experienced detriment as a result of an agency's defective actions or inaction.
Compliance auditing	The action of inspecting the records of law enforcement agencies to determine the extent of compliance with relevant legislation by the agency and its law enforcement officers.
Complaint	An approach that has been escalated to Category 3 or above that was investigated and required agency contact to resolve the matter.
Controlled operation	A covert operation carried out by law enforcement officers under the Crimes Act 1914 (Cth) for the purpose of obtaining evidence that may lead to the prosecution of a person for a serious offence. The operation may result in law enforcement officers engaging in conduct that would otherwise constitute an offence.
Cross-agency issue	At times a complaint or investigation may involve more than one agency if, for example, one agency is responsible for a policy for which another agency administers the related program/s.
Established complaint	The AFP considers a complaint is 'established' if an AFP investigation concludes in favour of the complainant or against the AFP member.
Formal powers	The Ombudsman's powers to investigate the administrative actions of most Australian Government departments and agencies and private contractors delivering government services. The powers of the Ombudsman are similar to those of a Royal Commission, and include compelling an agency to produce documents and examining witnesses under oath.
Garnishee	The power to seize money from a third party (such as a bank) to pay a debt. This power is held by some government agencies, such as the Australian Taxation Office and Child Support.

TERM	DEFINITION
Inspection (immigration)	Inspection visits to immigration detention facilities and other places of detention to monitor detention conditions and services provided to detainees. Inspections help to assess whether those services comply with the immigration values and obligations of the Department of Immigration and Border Protection and its contracted service providers.
Inspection (other)	Inspection or auditing of the records of law enforcement and other enforcement agencies in relation to the use of covert powers, such as telecommunications interceptions, stored communications, surveillance devices and controlled operations. This is one of the Ombudsman's statutory responsibilities.
Investigation	Occurs when the office formally contacts an agency about an issue raised as part of a complaint or because the Ombudsman has chosen to use her/his own motion powers.
Income management	A scheme that enables Centrelink to retain and manage at least 50% of a person's income support payments. The managed funds can only be allocated to priority goods and services, such as housing, clothing, food, utilities, education and health care. Managed funds cannot be used to purchase prohibited goods such as alcohol, gambling products, tobacco or pornography. The remaining portion of a person's income support is available for them to use as they wish.
Jurisdiction	Under the Ombudsman Act, the Commonwealth Ombudsman can investigate the administrative actions of Australian Government agencies and officers. The Act confers six other roles on the Commonwealth Ombudsman: Defence Force Ombudsman, to investigate action arising from the service of a member of the ADF Immigration Ombudsman, to investigate action taken in relation to immigration (including immigration detention) Postal Industry Ombudsman, to investigate complaints against private postal operators Private Health Insurance, to protect the interests of people covered by private health insurance Overseas Students Ombudsman, to investigate complaints from overseas students about private education providers in Australia Law Enforcement Ombudsman, to investigate conduct and practices of the AFP and its members. The Commonwealth Ombudsman also undertakes the role of the ACT Ombudsman in accordance with s 28 of the ACT Self-Government (Consequential Provisions) Act 1988 (Cth).
Natural justice	In administrative decision making, natural justice means procedural fairness.
Outcomes	The results, consequences or impacts of government actions.
Outcome statements	Statements that articulate government objectives and serve three main purposes within the financial framework: Explain the purposes for which annual appropriations are approved by the Parliament for use by agencies Provide a basis for budgeting and reporting against the use of appropriated funds Measure and assess agency and program non-financial performance in contributing to government policy objectives.
Out of jurisdiction (OOJ)	An approach about a matter that is outside the core business functions of the office.
Own motion investigation	An investigation conducted on the Ombudsman's own initiative.
Public interest disclosure	Sometimes referred to as 'whistleblowing', this occurs when a person discloses information that demonstrates improper conduct by a public body in the exercise of its functions.
Redress of grievance submission	A review by a commanding officer available to members of the Australian Defence Force if they are not satisfied with the outcome of the normal administrative processes. Before taking this step, Defence Force personnel are encouraged to first seek resolution of any complaint at the lowest possible level through the chain of command.

TERM	DEFINITION
Remedy	A solution or correction to a problem that is the subject of a complaint.
Review rights	Rights a person has if they disagree with a decision made about them, or if they believe they have been treated unfairly by a government agency. They may appeal the decision or ask for it to be reviewed by the agency, and if they are not able to resolve the situation with the agency, they may complain to the Ombudsman.
Review (Ombudsman)	A review available to a complainant who disagrees with an Ombudsman decision. They can request the matter be reconsidered by a more senior officer within the office who was not involved in the original investigation.
Stored communications	Typically refers to emails and text (SMS) messages, but may include images or video that are electronically stored by a telecommunications carrier or internet service provider. (For instance, an SMS message is stored by a carrier and sent when the intended recipient is able to take the message.) Stored communications access occurs under warrant for the purposes of obtaining information relevant to the investigation of an offence.
Surveillance devices	Typically listening devices, cameras and tracking devices that are used to gather information relating to criminal investigations and the location and safe recovery of children. The use of these devices usually requires the issue of a warrant.
Systemic issue	A problem that is common throughout an agency or across multiple agencies, often identified through the analysis of similar individual complaints.
The office	The Office of the Commonwealth Ombudsman.
The Ombudsman	The person occupying the statutory position of Commonwealth Ombudsman.
Warm transfer	An assisted phone transfer to another agency. If complainants contact us with a complaint before first approaching the relevant agency, we have an arrangement in place with some agencies such as the ATO and Centrelink to transfer them back to that agency. If their complaint is not resolved there, they can come back to us at that point.
Within jurisdiction	An approach about a matter that the office can investigate.

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Correction of material error in previous annual report

The 2013-14 Annual Report stated the following:

During 2013-14 two new consultancy contracts were entered into with a total expenditure of \$136,196 (including GST). There were no consultancy contracts entered into in 2012-13 that were active during the 2013-14 year.

The correct disclosure is as follows:

During 2013-14 nine new consultancy contracts were entered into with a total expenditure of \$120,077 (including GST). There were five consultancy contracts entered into in previous years that were active during the 2013-14 year, with a total expenditure of \$45,980.

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Email:

ombudsman@ombudsman.gov.au

Online complaint form:

www.ombudsman.gov.au

Services available to assist you to make a complaint

If you are a non-English speaking person,
we can help through the Translating and
Interpreter Service (TIS) on 131 450.

If you are deaf, or have a hearing or speech
impairment, contact us through the National
Relay Service (www.relayservice.com.au):

TTY users phone 133 677 then ask for 1300 362 072

Speak and Listen users phone 1300 555 727
then ask for 1300 362 072

Internet Relay users connect to the National
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