

# GRADUATION ADDRESS – DEALING WITH COMPLAINTS

*Address by Prof John McMillan, Commonwealth Ombudsman*

*Graduation Address, 12 July 2005, Australian National University, for graduates of the Faculty of Law, Asia Pacific College of Diplomacy, Asia Pacific School of Economics and Government, and Centre for Educational Development and Academic Methods*

---

It is a special honour to be a part of this ceremony to acknowledge the achievements of those who are graduating today. Let me not be the only person to stand and honour your achievement: I invite the audience, of family and friends, to stand with me and to congratulate today's graduates.

When people ask me what I do – what is the role of an Ombudsman – the simplest explanation is to say that my office deals with the complaints and problems that people have against government. Now, you may think that getting a job that handles other people's problems and complaints is a bit like drawing the short straw.

The theme of my address is that dealing with people's problems and complaints will in one way or another become a major challenge in the professional life of all who graduate today.

Let me start by giving a snapshot of the complaint industry in Australia. My own office of Commonwealth Ombudsman receives, in offices spread around the country, up to 20,000 complaints each year against agencies of the Australian government, such as Centrelink, the Tax office, Australia Post, and the Department of Immigration. There is a counterpart office of Ombudsman in each State and Territory: together, they receive another 40,000 or more complaints about State and local government matters. The complaints we receive range from the simple to the complex, across all the activities of government – a letter that can't be understood, a benefit wrongly withheld, a contract given to the wrong person, a visa denied, lost records, alleged corruption, delay, and much else besides.

Australia, with a more developed framework for complaints and appeals than probably any other country, also has a growing number of industry ombudsmen. For example, the Telecommunications Industry Ombudsman received 55,000 complaints last year; the Banking Industry Ombudsman nearly 6,000; and the Energy and Water Ombudsman in four states another 20,000. There are many other Ombudsman besides, and soon there may be more. Last year alone there were public calls to create – to name but a few – a university ombudsman, sports ombudsman, small business ombudsman, media ombudsman, children's ombudsman, aged care ombudsman and – to complete the cycle – a funeral industry ombudsman.

The complaint industry in Australia is larger still when we add to the picture the complaints and queries handled by organisations themselves. Agencies such as the Tax Office deal with 10,000 in their complaints unit, and up to 100,000 more in other parts of the organisation. The same picture exists in the private sector, in financial institutions, retail stores, leisure providers and so on.

Wherever you work, whatever your occupation, there will soon be an ombudsman or similar mechanism to hear complaints against decisions you have made or services you have provided. And nor is it only the clients and customers who will disagree with what you have done. I go to work every day realising that the hardest problems and complaints I may have to deal with can arise within my own organisation. Dealing with staff grievances, or issues raised by suppliers or other agencies, is part of the daily mix of problems that need to be resolved before you can get on with the job that you thought you were hired to do.

People react to this in different ways. Some think (even complain) that we have become a society of complainers and whingers. Others reason that nowadays we live in a complex world that unavoidably throws up problems that were never before encountered, with the taxman, the phone company, the bank, or the boss. Others cherish this new age of complaint, for its recognition that individuals in society have a right to query, to seek answers and to question authority.

Whatever view you take, it is a certainty that in your professional life you will have to deal with complaints and queries, to resolve problems thrown up by others, and to spend time on the unexpected.

Reluctance to grasp this point can be counter-productive. A failure to anticipate complaints and problems can lead to even more difficulty. This was illustrated painfully in the lead up to the Sydney Olympics in September 2000. The planning for that event was both extensive and intensive, and was near perfect in all respects – but one. The forward planning sought to anticipate every contingency, to list every stakeholder, but did not foresee that a problem could arise – a ticketing problem – that would activate members of the public to complain loudly and relentlessly, a year before the Games were to begin. When the ticketing problem first arose, it was compounded by the absence within SOCOG of any procedure or body for handling complaints from the public. Only after the ticketing malfunction arose was there established a complaints unit comprising four staff, and a ticketing customer service team to handle ticketing inquiries.

Interestingly, the organisers of next year's Commonwealth Games in Melbourne have already established a complaints process. But the lesson is still being learnt elsewhere. Evidence given yesterday to what the media has dubbed the "Doctor Death" inquiry in Queensland said that Queensland Health did not have a standard complaints handling process for hospitals when concerns about medical malpractice were first raised.

The astute course is to create a complaints procedure and to develop expertise before any complaints arise. This is confirmed by consumer research showing that it is more profitable for a business to keep and deal with its dissatisfied customers, than to have them take their dissatisfaction elsewhere. A study by British Airways quantified that lesson, by estimating that the revenue cost when a dissatisfied consumer approached the customer service department was \$131; by contrast, the estimated revenue loss when no complaint was lodged and business was taken elsewhere was \$1184.

In business and public service it is important to grasp that problems can and often will occur in every system. Complaint handling goes hand in hand with developing good systems. Drawing attention to system problems at an early stage can avert costly and damaging mistakes and disputes. Single problems in a system, if not detected or resolved properly, can threaten public confidence in other parts of the system. This is a dominant theme in work currently being undertaken by my own office in two areas that have received public notoriety, immigration detention and military justice. An area beyond my office where a similar debate is occurring is that of airline baggage security.

The failure to detect and deal with problems in a system can have quite dramatic consequences, as illustrated in a study published this year by Transparency International. The study concluded that many of the 156,000 deaths from earthquakes around the world in the past 15 years were caused by corruption and bribery in the building industry, which resulted in buildings that were structurally unsound.

The other side of the coin are studies which show that integrity within a system causes it to function much better. A report this year by the World Bank, based on data collected from 209 countries over a period of 8 years, drew a direct correlation between living standards and the quality of governance in a country. The report measured the quality of governance by reference to six components, such as the protection of individual rights, the efficiency of government service delivery, control of corruption, and market regulation. Complaint management and problem resolution plays a role, directly or indirectly, in each of those components. The World Bank study concluded that a 20% improvement within a country in any one of the six components would lead over time to a 2-3 fold increase in per capita income. In short, good governance provides the basis for economic development and enhanced living standards.

I will draw these threads together with one final observation. Dealing with people's problems and complaints will in one way or another be a challenge that each of you will face in your professional life. It would be wrong to assume that your schooling and university studies have prepared you for that task. There is no evidence that clever and accomplished people are naturally adept at dealing effectively with complaints and problems that others foist upon them. Indeed, there are many anecdotes that tell a different story.

So, I leave you with the message that complaint handling and problem solving will be unavoidable, it will take time, it will require specialist skills, and it will be worth the effort.

May I turn from that topic and once again congratulate each of you on your achievement at graduation. The history of the world is one of discovery, of ideas, of theories, of inventions. The history of the world is one of learning. Through education you become a part of that history. Today is a milestone, both for you personally, and for this ongoing process of learning that makes our world so rich and diverse. Cherish this moment, and celebrate it joyously with your family, friends and colleagues.