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# Annual Report 2007-08

**Ombudsman Western Australia**  
Serving Parliament – Serving Western Australians

# Helping you read this Annual Report

## Format and Accessibility

This Annual Report has been produced in two formats to optimise accessibility and ease of navigation. It is available in print format and electronic viewing format.

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## Hyperlinks

In the electronic version of this Annual Report, hyperlinks are used extensively to allow readers to quickly access the information. Hyperlinks are formatted as **blue text, bold and underlined**. In the footer of every page, there is a hyperlink to the Overview section of the Report.

## Data

Where available, this Annual Report includes data for the current and three previous financial years for reference purposes. For earlier data, please see the website for earlier Annual Reports or request copies from the contact below.

## Contact for more information

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## Letter to Presiding Officers



Honourable Nick Griffiths, MLC  
President of the Legislative Council

Honourable Grant Woodhams, MLA  
Speaker of the Legislative Assembly

### **Annual Report of the Parliamentary Commissioner for Administrative Investigations for the year ended 30 June 2008**

In accordance with section 61(1) of the *Financial Management Act 2006*, I hereby submit to Parliament the report of the Parliamentary Commissioner for Administrative Investigations for the financial year ended 30 June 2008.

The report has been prepared in accordance with the *Financial Management Act 2006* and section 27 of the *Parliamentary Commissioner Act 1971*.

A handwritten signature in black ink, appearing to be "Chris Field".

Chris Field  
Western Australian Ombudsman

26 September 2008

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## About the Western Australian Ombudsman

### Who is the Ombudsman?

The Ombudsman is an independent officer of Parliament with responsibility to investigate the actions of State Government departments, prisons, hospitals, schools and technical colleges, local governments and public universities.

### What is the need for an Ombudsman?

The creation of the office of the Ombudsman recognised both the growing power of public authorities to affect people's daily lives and the need for these agencies to be accountable for this power as well as the desirability of creating a body that provides timely, accessible and low cost means for people to resolve their disputes with these agencies.

### What does the Ombudsman do?

The Ombudsman has two principal functions. First, the Ombudsman investigates complaints from the public about public administration. Second, to improve, over time, the standard of public administration. In 2007-08, over 5,000 people contacted the Ombudsman's office. The majority of concerns raised with the office are dealt with informally. In 2007-08, the office dealt with 1,119 formal complaints for investigation. The Ombudsman always observes an independent and impartial approach to the conduct of investigations as well as observing procedural fairness at all times. Information obtained by the Ombudsman in an investigation is confidential.

At the conclusion of an investigation, the Ombudsman may make formal recommendations, including to:

- refer the matter to another agency;
- rectify administrative actions;
- vary administrative practice;
- reconsider the law which underpins administrative action; or
- give reasons for a decision.

The Ombudsman places a strong emphasis on making practical recommendations about materially significant matters. The Ombudsman does not make recommendations unless it is considered that they will be beneficial to the public. In addition to this, however, the Ombudsman also considers whether recommendations made as a result of an investigation will have costs for agencies, both direct costs, including implementation and compliance costs, as well as opportunity costs. Put another way, the Ombudsman seeks to make recommendations that have a net beneficial outcome for the Western Australian public. Where the Ombudsman is not sufficiently clear about the cost and benefit of a given recommendation, the Ombudsman will seek the advice of the agency and possible external advice.

## Ombudsman's Foreword

It gives me great pleasure to present my second report as Western Australian Ombudsman.

In this country, and in many modern democracies around the world, the Ombudsman has become recognised as a key accountability agency - working to promote a range of critical safeguards on the interaction of government and its citizens. The Western Australian Ombudsman is equally committed to this work. To do so, we undertake a range of activities, including education and liaison with public administrators, investigations arising from complaints made to us, investigations of our own motion and participation in other activities designed to improve the administration of public services.



The twelve month period covered in this annual report has been one of very significant activity in this office. We have undertaken a major organisational review, followed by an organisational restructure. A key focus of the restructure has been on ensuring that we are best placed to resolve

We are clear that Western Australian citizens have certain expectations of us - resolving complaints about public administration in a fair, timely and effective manner, improving the standard by which public administrators discharge their responsibilities and ensuring that government's activities are hallmarked by integrity and accountability.

concerns that are raised with us in the most efficient, timely and effective way possible. We have created three teams in the office - a Complaint Resolution Team, an Administrative Improvements Team and a Strategic Services Team. The Complaint Resolution Team is split into two sub-teams, the Access and Resolution Team, designed to handle the bulk of the matters raised with my office in a highly cost-effective and timely way, and the Investigations

and Resolution Team, similarly designed to be focused on resolving concerns, but dedicated to dealing with more complex investigations. Our Administrative Improvements Team places a new focus on a critical area of our work - improving the quality of public administration. Finally, our Corporate Strategic Services Team brings together and builds our research, major projects, systems, corporate services, human resources and communications work in a strategic way.

Aligned with this restructure we have introduced a range of new complaint handling processes to improve the timeliness and quality of our investigations as well as systems to improve our identification of themes in our work that may require further investigation.

The benefits of this restructure are already evident, including the fact that the performance on each of our key efficiency indicators has improved, in some cases dramatically, over the previous twelve months.

The twelve month period covered in this annual report has been one of very significant activity in this office.

There is still, however, much work to be achieved in reducing the time taken to resolve complaints, eliminating aged complaints, reducing the cost per complaint investigated, increasing our accessibility and awareness, particularly to regional and indigenous Western Australians, and

enhancing our contribution to administrative improvements and accountability. These achievements will be a key focus over the coming years.

The achievements of the Ombudsman are the achievements of a dedicated team. I take this opportunity to thank them for their professionalism and commitment, their belief in the importance of their role, yet at the same time, their continued commitment to exercise their powers with great care and humility.

We are clear that Western Australian citizens have certain expectations of us - resolving complaints about public administration in a fair, timely and effective manner, improving the standard by which public administrators discharge their responsibilities and ensuring that government's activities are hallmarked by integrity and accountability.

In this country, and in many modern democracies around the world, the Ombudsman has become recognised as a key accountability agency.

It is a great privilege to occupy the position of Ombudsman and I look forward to working with my team over the coming twelve months to continue to deliver on these expectations.



**Chris Field**

Western Australian Ombudsman

## Overview of the Ombudsman's Office

### Executive Summary – Year's Achievements

#### Operational Structure

The Ombudsman's office has two principal functions. First, the office investigates and resolves complaints about public authorities. Central to this is whether public authorities' actions and decisions have been fair and reasonable, and within the law. Second, the office aims to improve public administration for the benefit of all Western Australians. In part, this occurs through the recommendations for change to administrative practices that result from the investigation of complaints. In addition, the office undertakes a range of other activities designed specifically to improve the delivery of public services. They include education and liaison programs with public authorities and major investigations initiated by the Ombudsman into issues of concern to government and the community.

#### Complaint Investigation and Resolution

- Over 5,000 people contacted the Ombudsman's office during the financial year. The majority of concerns raised with the office were dealt with informally. The office dealt with 1,119 formal complaints for investigation.
- The average time to resolve allegations has improved by **36%** compared with last year.
- Significantly reduced the average age of allegations on hand by 17 per cent.
  - Significantly reduced the number of older cases on hand by approximately 20 per cent.
  - Implemented a new case management system to further improve the management, efficiency, timeliness and quality of investigations.
  - Finalised a review of the office's *Operations Manual* for staff.

#### Improved Public Administration

- Established an Administrative Improvement Team to enable a stronger and more strategic approach to improving public administration at a systemic level.
- Finalised an own motion investigation reviewing the use by Indigenous prisoners of the Department of Corrective Services' internal prisoner complaints process.
- Published the *Progress Report on the Implementation of the Ombudsman's Recommendations by the Department of Education and Training*, which identified a number of systemic issues and contained five recommendations.

In 2007-08, the Ombudsman's Office made **34** recommendations for administrative improvement. Of these recommendations, **100%** were accepted by public authorities.



- Completed a project that tracked the implementation of recommendations and suggestions made to public authorities over the last six years. The project findings showed they had been implemented in 97 percent of cases.
- Provided strategic advice to the Department of Corrective Services and the Department for Child Protection on the implementation of their new complaint handling systems.
- Participated in the development of a training DVD produced by the Department for Child Protection to be used with staff across Western Australia.
- Continued to contribute to the Department of Corrective Services' training program for prison officers by providing awareness sessions to all new trainee prison officers about the role of the Ombudsman.
- Visited Casuarina Prison and Rangeview Remand Centre in conjunction with the Inspector of Custodial Services to assess the effectiveness of the prisoner complaints process and confidential mail system and met with peer support staff, prisoners and detainees to raise awareness of the office.

## Other Initiatives

- Undertook 10 inspections under telecommunications interception legislation to audit the interception activities of the Western Australia Police and the Corruption and Crime Commission.
- Made significant progress to transfer the child death review jurisdiction from a ministerial advisory committee to the Ombudsman following endorsement of recommendations by the State Government arising from an independent review of the former Department for Community Development in 2007. The transfer requires legislative change and legislative drafting, which is well advanced.
- Worked with the Department of Water on the proposed transfer of the water service customer complaints function to the Ombudsman. Legislative change will be needed to enable the transfer to occur.

The percentage of matters finalised within 3 months has improved by **13%** and the percentage of complaints on hand less than 3 months old has improved by **54%**.

## Strategic Partnerships

- Continued to participate in the Integrity Coordinating Group, which comprises the Ombudsman, Corruption and Crime Commissioner, Auditor General and Commissioner for Public Sector Standards.
- Partnered with the Commonwealth and New South Wales Ombudsmen in an AusAID funded program to strengthen the capacity of Ombudsman services in Indonesia.
- Participated in a national project led by the New South Wales Ombudsman to develop better strategies for dealing with complainants whose behaviour is challenging.

## Communication and Access

- Launched a quarterly corporate newsletter *Ombudsman Western Australia* in March 2008 which is circulated to key stakeholders.
- Introduced a scheduled 'Ask the Ombudsman' slots on the 6PR Nightline program that provides opportunities for listeners to raise questions with the Ombudsman four to six times a year.
- Delivered a number of papers to conferences and made a number of presentations to community groups and public authorities.
- Participated in the production of an information DVD to be provided to all new arrivals in Australia, as part of an initiative of the Federal Attorney General and the Public Purposes Trust. The DVD is about Australian law and will assist to increase migrant awareness of the Ombudsman's role and services.

## Organisational Development and Improvement

- Identified four key strategic priorities following a strategic planning day with staff in September 2007 and consultation with key stakeholders. These relate to continuing to build on improvements in timeliness and efficiency of complaint resolution; strengthening the office focus on administrative improvement; planning for new and enhanced functionality; and enhancing the office's strategic and corporate services.
- Implemented a new structure in March 2008 to support the office's strategic direction.
- Successfully transitioned the office's financial management services to the Office of Shared Services in December 2007.

## Operational Structure

### The Ombudsman

The Parliamentary Commissioner for Administrative Investigations - more commonly known as the Ombudsman - is an independent officer appointed by the Governor of Western Australia. The Ombudsman is responsible directly to the Parliament rather than to the Government of the day or a particular Minister.

### Role and Functions of the Ombudsman

The Ombudsman's governing legislation is the *Parliamentary Commissioner Act 1971*.

The *Parliamentary Commissioner Act 1971* provides that the core function of the Ombudsman is to investigate administrative actions of the public authorities covered by the *Parliamentary Commissioner Act 1971* and make recommendations for administrative improvements and prevent problems from arising.

The Ombudsman considers whether the actions (or lack of actions) and decisions have been fair, reasonable and within the law. The Ombudsman's services are free.

The Ombudsman's office fulfils this role by:

- providing an impartial, efficient and effective complaint-handling system to investigate and resolve complaints;
- providing a telephone enquiry service to deal with simple matters quickly through informal resolution processes and to refer matters that cannot be handled by the office to other bodies;
- identifying and investigating issues of concern to Parliament or the community, irrespective of whether complaints have been received;
- developing community awareness of the role of the Ombudsman and the services provided by the office; and
- assisting public authorities to improve their administrative practices, including their own internal complaint-handling systems.

### Other Functions of the Ombudsman

Some of the Ombudsman's functions are derived from other legislation, codes or service delivery arrangements. Details are set out in the table below.

Ombudsman investigative functions derived from other legislation, codes or service delivery arrangements	Legislation, code or service delivery arrangement
<p><b>Public Interest Disclosure</b></p> <p>The Ombudsman receives disclosures under the <i>Public Interest Disclosure Act 2003</i> (the PID Act) about matters of State and local government administration that affect an individual. Investigations by the Ombudsman under the PID Act follow the process set out in the <i>Parliamentary Commissioner Act 1971</i>.</p>	<p><i>Public Interest Disclosure Act 2003</i></p>
<p><b>Terrorism</b></p> <p>The Ombudsman can receive complaints from a person detained under the <i>Terrorism (Preventative Detention) Act 2006</i>, about administrative matters connected with his or her detention.</p>	<p><i>Terrorism (Preventative Detention) Act 2006</i></p>
<p><b>Right of appeal for international students</b></p> <p>The <i>National Code of Practice for Registration Authorities and Providers of Education and Training for Overseas Students 2007</i> came into effect on 1 July 2007. The Code gives international students the right of appeal to an external and independent body, such as the Ombudsman, if their internal appeals were unsuccessful at school or university level.</p>	<p><i>National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007</i></p>

Ombudsman investigative functions derived from other legislation, codes or service delivery arrangements	Legislation, code or service delivery arrangement
<p><b>Indian Ocean Territories</b></p> <p>A service delivery arrangement between the State Ombudsman and the Commonwealth Government enables the Ombudsman's office to offer its services to residents of the Indian Ocean Territories (Christmas and Cocos (Keeling) Islands). This covers public authorities in the Ombudsman's jurisdiction that operate in the Territories at the Commonwealth's request.</p>	<p><i>Indian Ocean Territories (Administration of Laws) Act 1992</i></p>

The Ombudsman also has other functions as set out in the table below:

Ombudsman functions	Legislation
<p><b>Energy Ombudsman</b></p> <p>Western Australia's Gas Industry Ombudsman scheme was established in 2004 and the Electricity Ombudsman scheme in 2005, when these roles were combined to form the Energy Ombudsman. The governing body of the two schemes is Energy Industry Ombudsman (Western Australia) Limited. Under a service delivery arrangement with the governing body, the Ombudsman undertakes the role of the Energy Ombudsman for the schemes. The costs of the governing body and the Energy Ombudsman are met by industry members.</p>	<p><i>Economic Regulation Authority Act 2003</i></p> <p><i>Electricity Industry Act 2004</i></p> <p><i>Energy Coordination Act 1994</i></p> <p><i>Parliamentary Commissioner Act 1971 (section 34)</i></p>
<p><b>Telecommunications Interception</b></p> <p>The Ombudsman has a separate function auditing telecommunication interception activities that are carried out by the Western Australia Police and the Corruption and Crime Commission. Due to the invasive nature of such activities, they are strictly regulated and the Ombudsman is responsible for ensuring that the intercepts are carried out in accordance with statutory requirements.</p>	<p><i>Telecommunications (Interception) Act 1979 (Commonwealth)</i></p> <p><i>Telecommunications (Interception) Western Australia Act 1996</i></p> <p><i>Corruption and Crime Commission Act 2003</i></p>
<p><b>State Records Commission</b></p> <p>The Ombudsman is a member of the State Records Commission which was established in July 2001 under the <i>State Records Act 2000</i>. Other members of the Commission are the Auditor General, the Information Commissioner, and a person with record-keeping experience from outside government who is appointed by the Governor for a three year term.</p> <p>The Commission monitors the operation of, and compliance with, the legislation, monitors record-keeping compliance by government bodies and makes enquiries into alleged breaches of the legislation. The Commission reports direct to Parliament and submits a separate annual report to Parliament.</p>	<p><i>State Records Act 2000</i></p>

## Other legislation relevant to the Ombudsman's activities

<i>Corruption and Crime Commission Act 2003</i>	<i>Public Sector Management Act 1994</i>
<i>Disability Services Act 1993</i>	<i>Royal Commissions Act 1968</i>
<i>Equal Opportunity Act 1984</i>	<i>Royal Commission (Police) Act 2002</i>
<i>Financial Management Act 2006</i>	<i>State Administrative Tribunal Act 2004</i>
<i>Inspector of Custodial Services Act 2003</i>	<i>State Supply Commission Act 1991</i>
<i>Occupational Safety and Health Act 1984</i>	<i>Workers' Compensation and Rehabilitation Act 1981</i>
<i>Prisons Act 1981</i>	

## Powers of the Ombudsman

The Ombudsman may commence an investigation:

- in response to a written complaint from any person or organisation personally affected by an administrative act or omission of a public authority covered by the Ombudsman's jurisdiction;
- on referral by either House of Parliament, a committee of either House, or a joint committee of both Houses; or
- on the Ombudsman's own motion.

The *Parliamentary Commissioner Act 1971* sets out the powers of the Ombudsman, including:

- at any time, tabling in Parliament a report on any matter arising in connection with the exercise of the Ombudsman's functions;
- wide investigative powers, including those of a Royal Commission;
- discretion whether to commence or continue an investigation;
- recommending to an agency that redress be given to a complainant and that practices, procedures or legislation be reviewed to prevent recurrence; and
- providing the Premier and Parliament with a report where an agency does not accept the Ombudsman's recommendations within a reasonable timeframe.

The *Parliamentary Commissioner Act 1971* also identifies limits on the Ombudsman's powers. The Ombudsman cannot:

- investigate the decisions of courts, Cabinet or ministers of the Crown, but may investigate recommendations made to ministers;
- make adverse comments in a report about any person unless that person is given a prior opportunity to respond;
- disclose information or make a statement about an investigation except in accordance with the provisions of this Act; or
- make a determination on a matter.

## Process for Assessing and Handling Complaints

### Assessing Complaints

The *Parliamentary Commissioner Act 1971* provides wide-ranging discretionary powers to help determine the scope and nature of investigations. All complaints are assessed before an investigation commences to:

- determine whether the authority complained about is within the Ombudsman's jurisdiction (State Government departments or agencies, prisons, schools, technical colleges, universities and local governments); and
- determine whether:
  - the action or decision complained about relates to a matter of administration;
  - the action complained about was within the agency's powers or functions;
  - the complainant is personally affected by the action or decision;
  - the complainant became aware of the action or decision within 12 months of making the complaint; and
  - the complainant has or had a legal remedy or a right of review or appeal.

The Ombudsman can exercise discretion about whether or not to investigate a complaint in situations where:

- special circumstances exist for matters over 12 months old;
- the complainant has a legal remedy or right of review or appeal where it is not reasonable to expect the complainant to resort to that remedy;
- the complaint appears to be frivolous, trivial, vexatious, or not in good faith;
- an investigation does not appear to be warranted in the circumstances, such as where the agency is still investigating the complaint, or where another complaint-taking body may be more appropriate; or
- the complainant does not have a sufficient personal interest in the matter.

New assessment procedures were introduced as part of implementing the new structure in March 2008 whereby complex matters are referred to the new Investigation and Resolution Team after an initial screening process. This enables the Assessment and Resolution Team to focus on quick resolution of simple cases, generally through informal mechanisms. Resources have been reallocated within the structure to provide for an additional telephone enquiry officer to deal with simple matters quickly and informally.

As part of streamlining the complaint handling processes, the office has developed a guide to identifying when certain complaints should be prioritised.

Complaints are ranked as either P1, P2 or P3, as detailed in the table below.

Complaint Ranking	Criterion
P1	Cases where the complaint involves the suggestion of immediate risk of harm to a child or other vulnerable person.
P2	Cases where the complaint suggests there is an immediate and serious consequence to the complainant, such as significant financial loss, homelessness, or loss of immigration status.
P3	All other cases.

Where a matter is given P1 or P2 status, it is referred for immediate assessment and investigation.

### Handling Complaints

If a complaint is out of the Ombudsman's jurisdiction or there is a more appropriate body to investigate the matter, the complaint is referred to the appropriate body.

If a decision is made not to investigate a complaint, the complainant is advised and provided with reasons for the decision. If a decision is made to investigate, the agency and the complainant are advised.

A formal or an informal investigation can be conducted. The majority of the investigations undertaken by the office are conducted informally. Investigations are prioritised according to a range of factors such as whether there is any urgency attached to the outcome.

Formal investigations may involve the Ombudsman's Royal Commission powers and are used where there are high public interest or public policy implications in the matter or informal resolution is unlikely to be successful, and where:

- there is a reasonable prospect of proving an allegation or group of allegations;
- practical outcomes can be achieved for the complainant; and
- important systemic policy, procedural or legislative issues are involved.

Once an investigation is finalised, if the Ombudsman's office considers that the complaint is not sustained and the office is of the view that no administrative improvements are required, the complainant will be advised and will generally be given the opportunity to comment before a final decision is made.

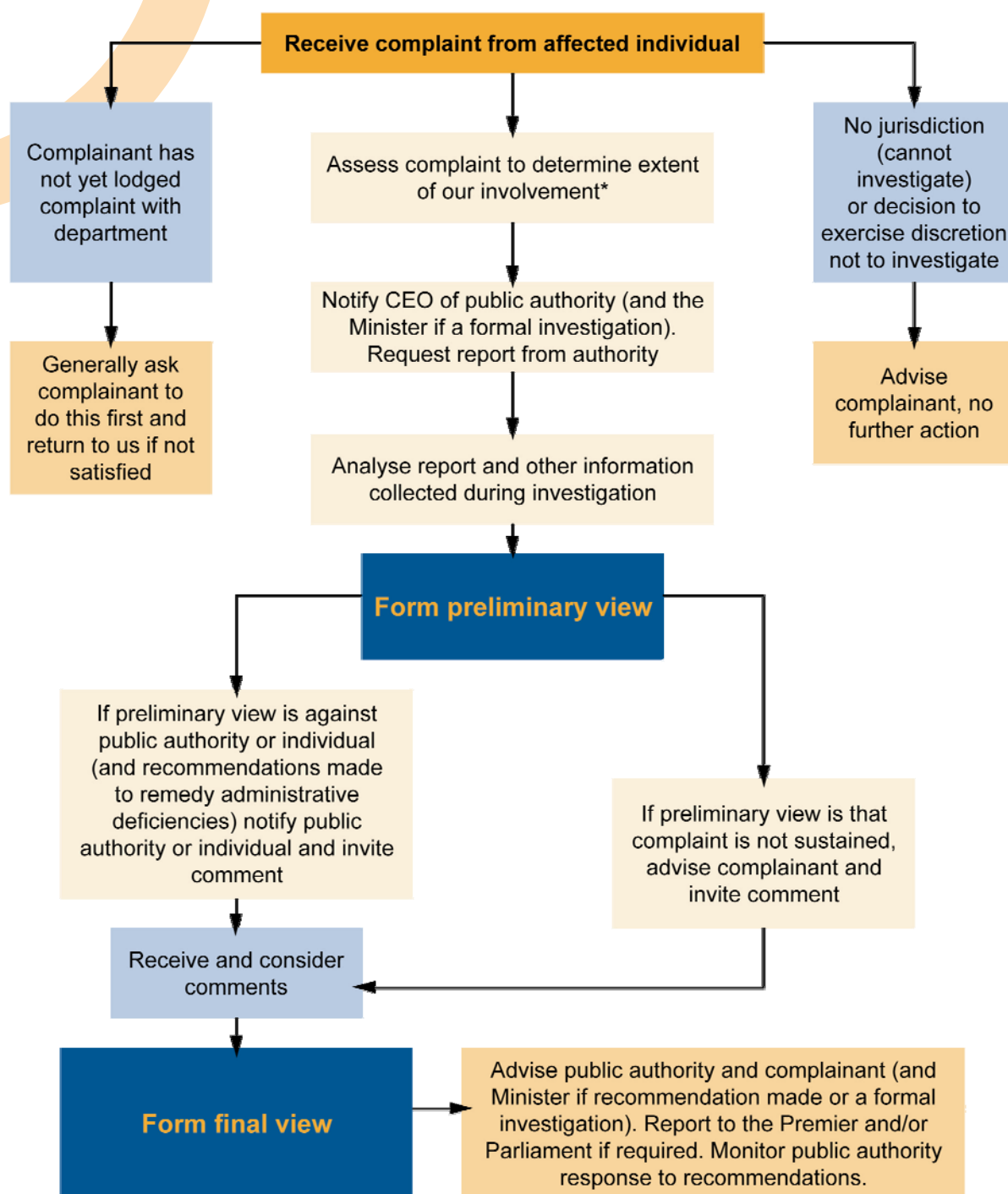
If it is considered that a complainant has been adversely affected by the actions or decisions of the public authority, both the authority and the complainant will be advised and given the opportunity to respond to any issues. The office may also make recommendations for change to the agency and, in this case, the relevant minister will be advised.

Often the public authority will agree with the office and take action that will assist the complainant and/or improve the authority's policy and processes. The complainant will be advised of any



outcome. If the action needed may take some time to implement, the office will ask the public authority to advise when it has been completed or follow-up with the authority later. In the event that the public authority does not agree, the Ombudsman may provide a report to the Premier and Parliament if required.

### Overview of the complaint investigation process



Appendix 1 gives details of all allegations received and finalised about public authorities during the reporting period.



## Governance Framework

### Mission and Values

The mission of the Ombudsman's office is to assist the Parliament of Western Australia to be confident that the public sector of the State is accountable for, and is improving the standard of, administrative decision-making, practices and conduct.

In achieving this mission, the Ombudsman acts in a way that is independent, fair and accountable.

The core values of the office are acting justly, equitably, efficiently and effectively. Acting justly implies that Ombudsman staff make decisions fairly, impartially and legally. Equity implies that all people and organisations have equal access to the Ombudsman's office and its processes, and that all people are treated with respect and dignity and without bias. Efficiency and effectiveness fundamentally concern stewardship of public resources. The office ensures that resources are utilised to pursue the mission of the office. Further, staff will provide reliable, efficient and effective service to their clients, treating them professionally, courteously and with appropriate sensitivity.

### Corporate Executive

#### **Chris Field, Ombudsman**

Chris has held the position of Ombudsman since March 2007. He concurrently holds the roles of Energy Ombudsman and State Records Commissioner. Prior to his appointment as Ombudsman, Chris was a Member of the Economic Regulation Authority, Western Australia, Chair of the Consumer Utilities Advocacy Centre, Director of the Energy and Water Ombudsman Victoria, Chair in Consumer Law, La Trobe University and Principal of Chris Field Consulting Pty Ltd. Chris holds Arts and Law (Honours) degrees and is an Adjunct Professor at both the University of Western Australia and La Trobe University.

#### **Heather Brown, Deputy Ombudsman**

Heather commenced in the position of Deputy Ombudsman in May 2005. Heather joined the office after more than 20 years in the Western Australian public sector. During this time she worked in agencies responsible for health, local government, consumer affairs, disability services, land administration and land information. Heather holds a Doctor of Philosophy in Psychology from the University of Western Australia.

#### **Kim Lazenby, Assistant Ombudsman, Administrative Improvements**

Kim commenced in the position of Assistant Ombudsman in June 2008. Kim has 20 years experience in government, working at the Commonwealth and State levels, in both line and central agencies. After her early career in the fields of employment, education and training, Kim has worked in a range of regulatory roles, including with Auditor-General's offices in both Victoria and Western Australia. She holds a number of qualifications including a Master of Assessment and Evaluation from the University of Melbourne.

### **Mary White, Executive Director Strategic and Corporate Services**

Mary was appointed to her current position in February 2008. Prior to this, Mary was the Director of Corporate and Business Services for the office. Mary has 25 years of experience in the public sector including strategic and corporate leadership roles in independent statutory offices and experience in the education and infrastructure sectors. Mary holds a range of qualifications including a Bachelor of Science (Genetics and Statistics), a Diploma in Education and a Post Graduate Diploma in Arts (Public Policy).

### **Sarah Cowie, Director Research and Projects**

Sarah commenced in her current position in January 2008. Prior to this, Sarah worked in an investigative role in the office for more than six years. Sarah joined the office after 16 years in the Western Australian public sector. Sarah holds a Bachelor of Arts (Geography).

### **Julie Roberts, Director Investigation and Resolution**

Julie joined the office in 2005 and commenced in her current role in February 2007. Julie has more than 25 years experience in the Commonwealth and State public sectors and the non-government community services sector, mainly in the human services in the adult and child protection jurisdictions. Julie holds a Bachelor of Applied Science (Social Work).

### **Jo Merrick, Director Access and Resolution**

Jo joined the office in 2000, working largely in investigative roles, before being appointed to her current position in June 2008. Jo came to the office from the City of Perth, where she spent six years in a variety of roles, including Executive Research Officer within the Chief Executive's office. Jo, a qualified lawyer, holds a Bachelor of Laws.

### **Andrew Harvey, Case Management System Project Director**

Andrew joined the office in 2005, managing the office's investigation team until November 2007, when he became responsible for managing the introduction of the office's new case management system - RESOLVE. Andrew has worked for a diverse range of Commonwealth and State agencies including the Australian Bureau of Statistics, Office of the Auditor General and the Economic Regulation Authority. Andrew holds a Bachelor of Arts (Politics and Anthropology) and a Masters in Criminal Justice.

### **Wayne Mann, Manager Energy**

Wayne joined the office in 2002 and commenced his current role in 2005. Wayne has been employed in the Western Australian public sector for over 35 years in a range of administrative, research, advisory and management positions for agencies such as the Public Works Department, Mines Department, Public Service Commission and the Department of the Premier and Cabinet. Wayne was the inaugural CEO of the Anti Corruption Commission. Wayne holds a Bachelor of Business (Management) and a Diploma in Work Study.

## Plans, Policies and Delegations

The Ombudsman's office has a strong organisational policy framework covering governance, conduct, communications and human resources. Policies are available to staff through the office's intranet and new staff are informed about them as part of their induction.

During the year, the office reviewed and updated its Instrument of Delegation Chief Executive Officer Functions to clarify decision making roles and responsibilities under the office's new structure, which was implemented in March 2008.

## Internal Audit

An internal audit and risk management charter has been developed for the Ombudsman's office that sets out the internal audit process and provides for an Internal Audit and Risk Management Committee. The committee meets quarterly to consider the annual audit program, internal audit plans and scope documents, and the annual evaluation of internal audit activities.

## Organisational Structure

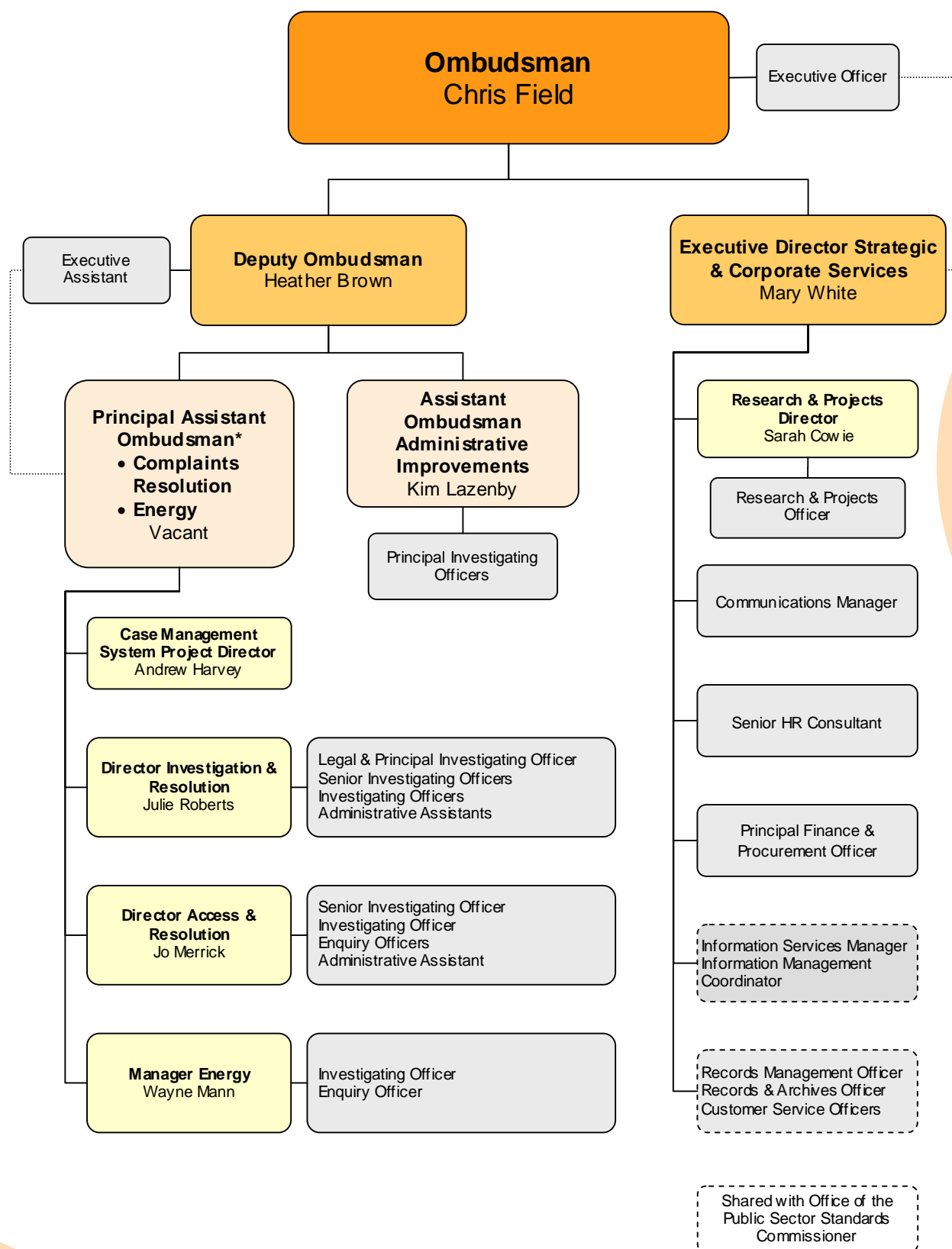
The Ombudsman's office has four key business areas, which were established under a new organisational structure in March 2008:

- The **Executive Team** includes the Ombudsman, Deputy Ombudsman, the Principal Assistant Ombudsman, and the Executive Director, Strategic and Corporate Services who oversee the operations of the office including the Energy Ombudsman function.
- The complaint-handling function is undertaken by the Complaint Resolution Team, split into two teams: the **Access and Resolution Team** which is responsible for the initial assessment of complaints, resolution of more straight forward cases and the office's telephone enquiry service; and the **Investigation and Resolution Team**, which deals with more complex cases. A newly established structure for complaint-handling has been designed and implemented to streamline complaint handling, to give a clearer focus to quick and informal resolution of simple matters and to allow a more flexible and efficient use of resources.
- The **Administrative Improvement Team** has responsibility for a broad range of strategies aimed at improving administrative practice across the public sector. This team also has responsibility for monitoring compliance by the Corruption and Crime Commission and Western Australia Police with telecommunications intercept legislation.
- The **Strategic and Corporate Services Team** supports the office in strengthening its strategic focus and governance and responding in a timely and effective way to emerging issues of significant concern. This team encompasses Research and Projects, Communications and Business Services. As well as undertaking strategic planning projects, it enhances the office's capacity to communicate effectively with public authorities and the public and to play a leading role in promoting integrity across the sector. It also provides corporate governance and business services to the office.

## Shared Business Services

The Ombudsman's office is co-located with the Commonwealth Ombudsman's Perth office, the Office of the Public Sector Standards Commissioner, the Office of Health Review and the Freedom of Information Commissioner. Parts of the Business Services section of the office are shared with the Office of the Public Sector Standards Commissioner, including information technology services, records, reception and general administration. The shared arrangements of business services also provide reception and other services for the Office of Health Review, the Commonwealth Ombudsman and the Information Commissioner under a Memorandum of Understanding.

## Organisational Chart – structure as at 30 June 2008



\* Reports to Ombudsman for Energy Issues and Deputy Ombudsman for Parliamentary Issues.

## Performance Management Framework

### Mission

The mission of the Ombudsman's office is to assist the Parliament of Western Australia to be confident that the public sector of the State is accountable for, and is improving the standard of, administrative decision-making, practices and conduct.

### Relationship to Government Goals

The Ombudsman's office supports the goal of a skilled, diverse and ethical public sector as shown below.

Government goal	Desired outcomes of the Ombudsman's office	Services provided by the Ombudsman
Developing and maintaining a skilled, diverse and ethical public sector serving the Government with consideration of the public interest.	The public sector of Western Australia is accountable for, and is improving the standard of, administrative decision-making, practices and conduct.	Investigation of complaints about administrative actions of public sector organisations.
	Confidence that telecommunication interceptions are conducted in accordance with statutory provisions.	Inspection of eligible authorities to ensure compliance with statutory provisions when they intercept telecommunications.

### Major Achievements for 2007-08 and Planned Initiatives for 2008-09

The Ombudsman's office outlined planned major achievements for 2007-08 in the 2007-08 budget papers and planned initiatives for 2008-09 in the 2008-09 budget papers. A summary of the outcomes for 2007-08 and forward planning for 2008-09 is detailed below.

#### Major Achievements for 2007-08

- Significant progress was made in implementing relevant recommendations of the review of the former Department of Community Development that will see the Ombudsman take on new responsibilities for the review of notifiable deaths of children known to the Department of Child Protection.
- Implemented a new case management system to continue to improve operational effectiveness in relation to the investigation of complaints.
- Participated in a national Ombudsman's trial of strategies for managing challenging complainants and developed tools and guidelines for public sector agencies.

- Completed an investigation into the complaints system for Indigenous prisoners at Broome prison.
- Provided advice to the Department of Corrective Services, the Department of Child Protection and the Department of Education and Training on development of internal complaint systems.
- Partnered with the Commonwealth Ombudsman and New South Wales Ombudsman in the second year of an AusAID project to strengthen the capacity of Ombudsmen in Indonesia. The office provided expert advice to Indonesian Ombudsman staff to improve their investigative and complaint handling skills through placement programs in Indonesia and Australia.
- Significantly reduced the number of older cases on hand through enhanced case management and staff training and development.
- Over 5,000 people contacted the Ombudsman's office during the financial year. The majority of concerns raised with the office were dealt with informally. The office dealt with 1,119 formal complaints for investigation.

### Major Initiatives Planned for 2008-09

- Facilitate the drafting of legislative change to the *Parliamentary Commissioner Act 1971* to enable the Ombudsman to undertake child death reviews and, subject to this being passed by the Western Australian Parliament, establish a new specialist unit to take on the responsibilities for the review of notifiable deaths of children known to the Department of Child Protection.
- Work with educational institutions on the resolution of complaints and the development of complaint handling procedures under the new *National Code of Practice for Registration Authorities and Providers of Education and Training for Overseas Students 2007* for registered providers of education services to overseas students.
- Improve the capacity to identify and address key systemic issues through the newly established administrative improvement team.
- Continue to make further improvements to the timeliness, consistency and quality of investigations through a range of strategies, including through the implementation of a new case management system.
- Continue to raise the profile of the Ombudsman amongst stakeholder groups and promote accessibility, particularly for regional and Indigenous groups, to the Ombudsman through development and implementation of a communications strategy.
- Partner with the Commonwealth and New South Wales Ombudsmen in the third year of an AusAID project to strengthen the capacity of Ombudsmen in Indonesia through ongoing provision of expert advice and participation in placement activities in Indonesia and Australia.

## Agency Performance

### Key Performance Indicators

#### Key Effectiveness Indicators

The key effectiveness indicators of the Ombudsman's office report on the extent to which public sector agencies have improved their decision-making, practices and conduct as a result of recommendations and suggestions made by the Ombudsman.

There were 1,249 allegations received during the year and 1,244 allegations finalised. During the year, agencies responded to 34 recommendations for improvement made by the Ombudsman. The effectiveness of the Ombudsman in achieving improved administrative decision-making and practices in agencies is shown by the increasing acceptance of recommendations for improvement over the last four years, with all 34 (100%) being accepted by agencies in 2007-08.

Table 1 - Key Effectiveness Indicators	2004-05	2005-06	2006-07	2007-08 Target	2007-08 Actual
Of allegations where Ombudsman made recommendations to improve practices or procedures, percentage of recommendations accepted by agencies (indicator introduced in 2004/2005) (a)	88%	88%	94%	95%	100%
Number of improvements to practices or procedures as a result of Ombudsman action (indicator introduced in 2004/2005) (b)	14	57	50	80	34

- (a) For agency responses in 2007-08, the percentage of recommendations and suggestions relating to improved practices and procedures that were accepted by the agency.
- (b) For agency responses in 2007-08, the number of recommendations and suggestions relating to improved practices and procedures that were accepted by the agency.

#### Comparison of Actual Results and Budget Targets

The percentage of recommendations accepted has improved steadily over the last three years and is now 100 per cent, above the targeted figure of 95 per cent.

There was a material variation between the budgeted figure for 2007-08 of 80 improvements to practices or procedures, and the actual figure of 34. As can be seen from the last four years, the number of recommendations each year can vary considerably depending on the nature of the complaints investigated. The target for 2007-08 was an overestimate based on the anticipated number of improvements in 2006-07, which included an unusual case that had 24 recommended improvements. If this outlier case is excluded from the actual numbers for 2006-07, the number of accepted recommendations in 2007-08 is slightly higher than the previous year.



## Key Efficiency Indicators

The Ombudsman's key efficiency indicators for Service 1: *Investigation of Complaints about Administrative Actions of Public Sector Organisations* relate to timeliness of complaint handling and the cost per allegation. These indicators show a substantial improvement in the timeliness of complaint handling this year.

### Service 1: Public Sector Organisations

	2004-05	2005-06	2006-07	2007-08 Target	2007-08 Actual
Percentage of allegations finalised within three months	67%	63%	69%	70%	78%
Percentage of allegations finalised within 12 months	93%	90%	89%	95%	95%
Percentage of allegations on hand at 30 June less than three months old	43%	34%	33%	40%	51%
Percentage of allegations on hand at 30 June less than 12 months old	84%	77%	78%	85%	85%
Cost per finalised allegation (a)	\$1,724	\$1,582 (b)	\$2,579	\$2,219	\$2,941

(a) This is the net cost of Service 1 divided by the number of allegations finalised.

(b) Cost figures from 2005-06 onwards do not include capital user charges. To allow comparison, the 2005-06 figures are those shown in the 2006-07 Budget Papers and differ from those shown in the 2005-06 Annual Report which did include capital user charges. The 2004-05 cost figure includes capital user charges and has not been adjusted.

### Comparison of Actual Results and Budget Targets

There has been a significant improvement in the timeliness of complaint handling this year, with all targets met and, in some cases, exceeded by a considerable amount. This has arisen due to a strong focus in recent years on efficiency and timeliness of the complaint handling process. The office will continue to build on this achievement in the future.

The cost per allegation has increased this year because there has been full staffing of the office compared to last year, where there were some positions unfilled during the year. The additional staffing costs have resulted in an increase in the cost per allegation, but have also resulted in a significant improvement in service delivery, particularly in the timeliness of complaint resolution. In 2008-09 and the out years, the office will be targeting a reduction in cost per allegation handled, and is currently implementing significant operational and organisational restructuring and enhancements to achieve this outcome.

### Service 2: Telecommunications Intercept Audit

The Ombudsman's key efficiency indicator for Service 2: *Inspection of Eligible Authorities to Ensure Compliance with Statutory Provisions When They Intercept Telecommunications* relates to the cost per inspection.

Table 3 – Service 2: Telecommunications Intercept Audit					
	2004-05	2005-06	2006-07	2007-08 Target	2007-08 Actual
Average cost per inspection (a)	\$3,061	\$3,333 (b)	\$2,341	\$3,375	\$4,254

- (a) This is the net cost of Service 2 divided by the number of inspections conducted that examined warrants issued in 2007-08.
- (b) Cost figures from 2006 onwards do not include capital user charges. To allow comparison the 2006 figures are those shown in the 2007 Budget Papers and differ from those shown in the 2005 – 2006 Annual Report which did include capital user charges. The 2004-05 cost figure includes capital user charges and has not been adjusted.

### Comparison of Actual Results and Budget Targets

The cost per inspection in 2007-08 is slightly higher than the target because there have been slightly fewer inspections than anticipated. However this is not a true reflection of workload as there have been a similar total number of warrants examined during these inspections.

See page 69 for the Independent Audit Opinion and Certification of Key Performance Indicators.

# Report on Operations

## Complaints and Enquiries

### Introduction

This section provides an overview of one of the Ombudsman's core functions – complaint investigation and resolution. It also covers the enquiry function handled by the office. Information is provided on the number and nature of complaints and enquiries, as well as case studies that demonstrate the range and possible outcomes to the complaints dealt with. Information is also provided on four areas that made up approximately 50 percent of all complaints received during the year. These are corrective services, local government, public housing and public education.

### Complaints and Enquiries Received in 2007-08

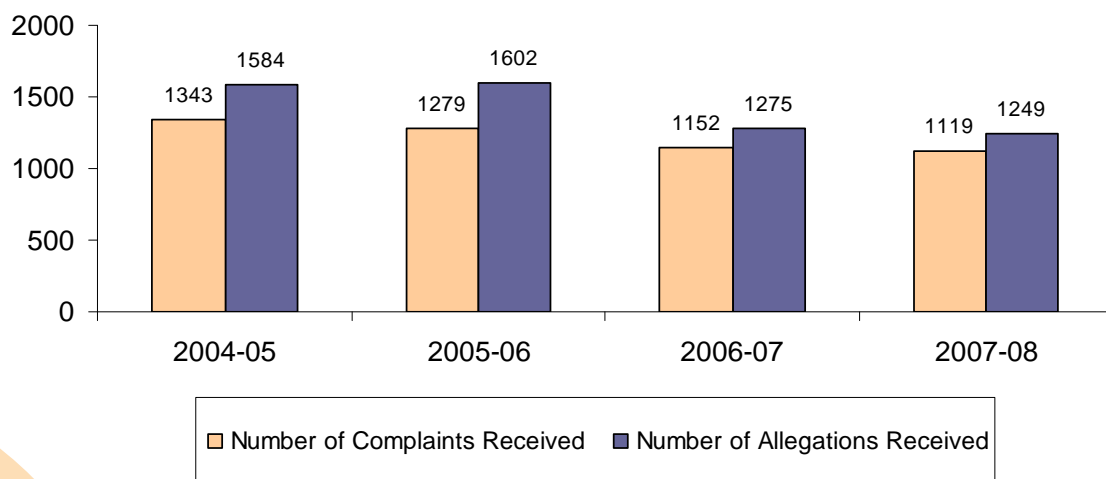
#### Complaints Received

The Ombudsman's office investigates complaints from people adversely affected by administrative actions or omissions by Western Australian public authorities and makes recommendations to redress defective administration and prevent its reoccurrence. An investigation examines the decisions, actions and practices of public authorities to determine if they are fair, reasonable and within the law. Some complaints are complex and include a number of different allegations.

The amount of work involved in an investigation varies considerably from case to case. In terms of these statistics, there is no quantitative or qualitative weighting of relative importance or complexity. Complex allegations and those requiring major investigations are treated in the same way statistically as straightforward ones.

As seen in the chart below, the number of complaints and allegations handled by the office in 2007-08 has remained relatively steady after a decline in 2006-07. The office received 1,119 complaints involving 1,249 separate allegations during the year and finalised 1,244 allegations.

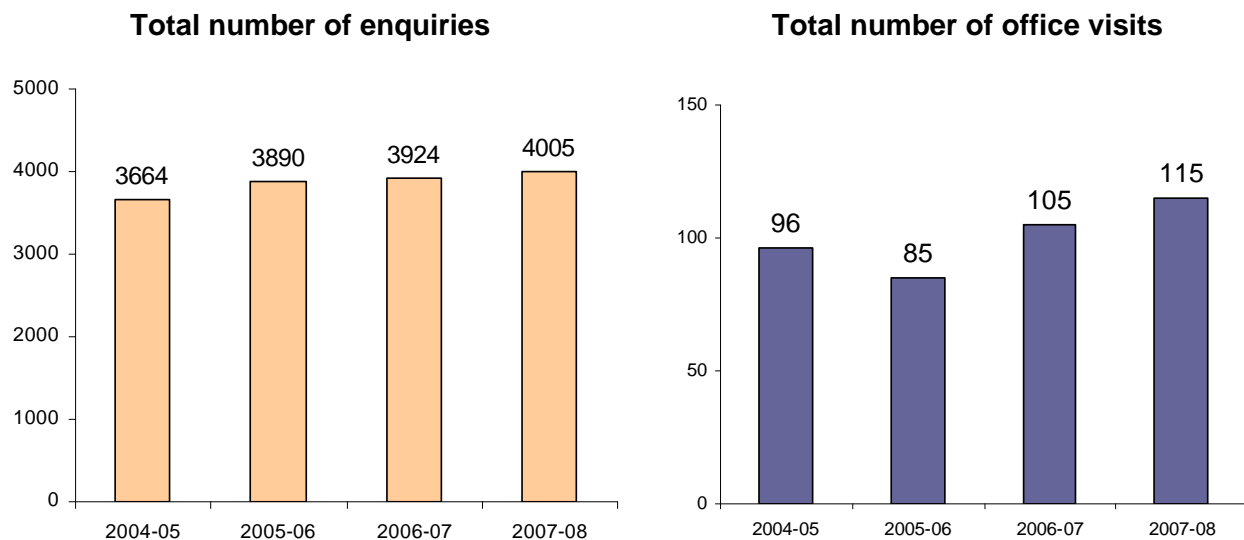
**Number of Complaints and Allegations Received**



There is increasing use of email to make complaints and this has resulted in an increase in complaints where the location is unknown; 18 per cent in 2007-08 compared to 10 per cent in 2006-07. Of the allegations where the geographical location is known, 31 per cent are from country locations, a decline from 33 per cent in 2006-07. Many (33%) of the complaints from country locations are from regional prisoners. If complaint issues from prisoners are excluded, the percentage of all complaints received from country locations falls to 17 per cent. The office has prioritised the development of strategies to improve access for Indigenous people and people from regional locations. The decline in allegations from regional locations highlights the importance of these strategies.

### Enquiries Received

The office also handles thousands of telephone enquiries each year and a number of people visit the office to make enquiries. Some enquiries are from people seeking general information and some are from public authorities and other accountability agencies seeking advice but most are from people seeking advice on how to make a complaint. As far as possible the office provides advice and assistance to enquirers. Where the person's complaint relates to a matter outside of the Ombudsman's jurisdiction, they are generally referred to an appropriate alternative agency. If the matter is within the Ombudsman's jurisdiction but the person has not already raised the matter with the public authority concerned, they are referred back to the relevant public authority in the first instance. They are advised to come back to the Ombudsman if the matter is not resolved by the authority. As seen in the charts below, over the past three years there has been an increasing number of enquiries, particularly visits to the office. In 2007-08 the office handled 4,005 enquiries including 115 from people coming into the office.



In recent years, while there has been some decline in the number of complaints, there has been an increase in the complexity of complaints made to the office, affecting both the time and level of skills needed to undertake investigations. Ombudsmen in other jurisdictions have reported a similar trend.

A range of factors may be contributing to the trend to increased complexity in complaints. The enquiry service provided by the office encourages people to raise their concerns directly with the

public authority in the first instance. In addition, the office has undertaken considerable work with public authorities to assist them to improve their internal complaint-handling systems, particularly since the introduction of the Government's policy on complaint handling in 2004. This year, the Ombudsman's office worked closely with the Department of Corrective Services and the Department for Child Protection.

The increasing use of the enquiry service, in conjunction with improved internal complaint handling processes may mean straightforward complaints are being resolved by the public authorities. As a result, the complaints referred to the Ombudsman have declined slightly in number but tend to be the more complex and intractable matters. Internal resolution of complaints is a positive outcome for complainants and public authorities, and means that the resources and expertise of the office can be directed to the areas where they are most needed.

### Case Study

#### Quick corrections prevent missed mortgage payments

A State Government employee had been salary sacrificing through a company contracted by their employer. Part of the arrangement involved salary sacrificing an amount that was due to go into a mortgage account. However, the complainant discovered that the amount was not credited to the mortgage but was being retained by the company because it had overpaid the complainant the previous year.

The complainant telephoned the Ombudsman's enquiry service about the matter.

Ombudsman staff contacted the relevant Government agency for advice. The agency advised that, generally, complaints about salary sacrificing should initially be taken up with the company and then the payroll area of a person's employing agency. If it could not be resolved after going through those stages, then the agency became involved. However, given that this situation involved missed mortgage repayments with potentially serious ramifications for the complainant, the agency offered to assist immediately.

*This case shows how the Ombudsman's office can help to resolve enquiries quickly and informally.*

## Timeliness of Complaint Handling in 2007-08

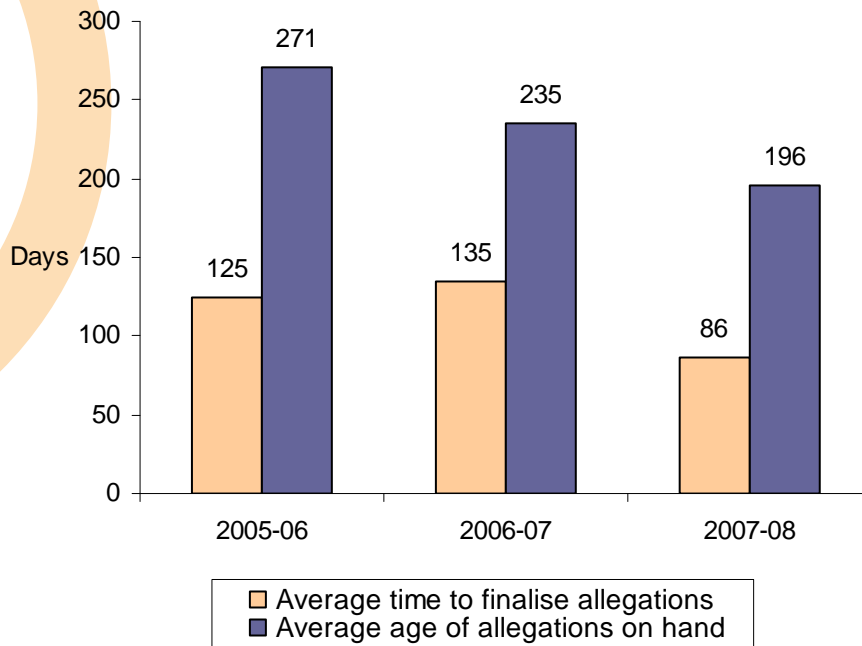
Over the past year, there was a continued strong focus on reducing the backlog of older cases and improving the timeliness of investigations. The office strives to resolve complaints quickly and informally, where appropriate, without undertaking detailed investigation. More than three quarters of complaints (82%) received during the year were finalised at the initial assessment stage. This is slightly higher than the previous year, when 77 per cent were finalised at the initial stage.

By giving priority to early resolution of new complaints and older, more complex cases, the office has achieved a substantial improvement in the time taken to handle complaints.

As shown in the chart below, the key achievements have been:

- a reduction in the last year of 17 per cent in the average age of allegations on hand at 30 June (the reduction over the last two years has been 31%); and
- a reduction of 36 per cent in the last year in the average time taken to finalise allegations.

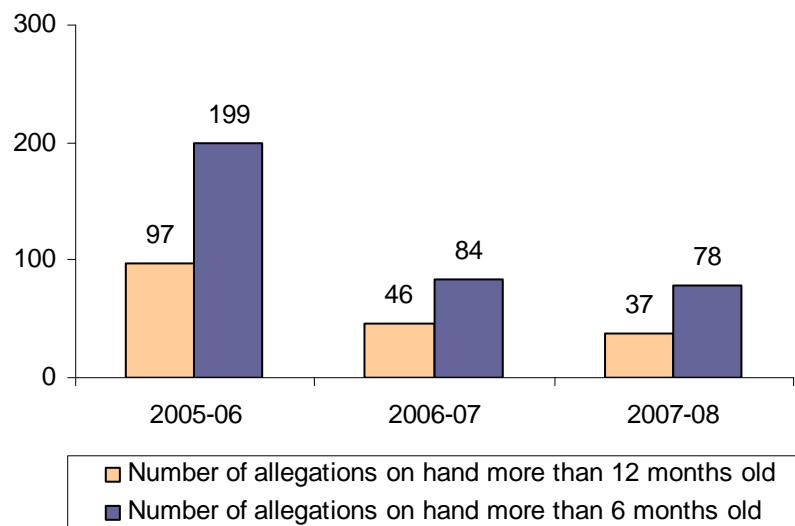
### Average age of allegations



The office has also reduced the number of older cases on hand. The number of allegations on hand more than 12 months old fell by 20 per cent over the year (from 46 at 30 June 2007 to 37 at 30 June 2008). The office was also successful in reducing the number of cases older than six months from 84 to 78 over the same period. Overall, the average age of allegations on hand at 30 June 2008 had fallen from 235 days in 2006-07 to 196 days in 2007-08.

Most complaints (78%) are now resolved within three months and only a small percentage (5%), generally the highly complex complaints, take more than 12 months. The improving trend in the time taken to handle complaints is shown by the continuing reduction in the number of complaints more than six months old and more than 12 months old as shown adjacent chart. Timely complaint handling will continue to be a focus for the office.

### Allegations on hand



## Complaints and Allegations Finalised

In 2007-08, the majority of complaints (82%) were finalised at the initial stage, for the following reasons:

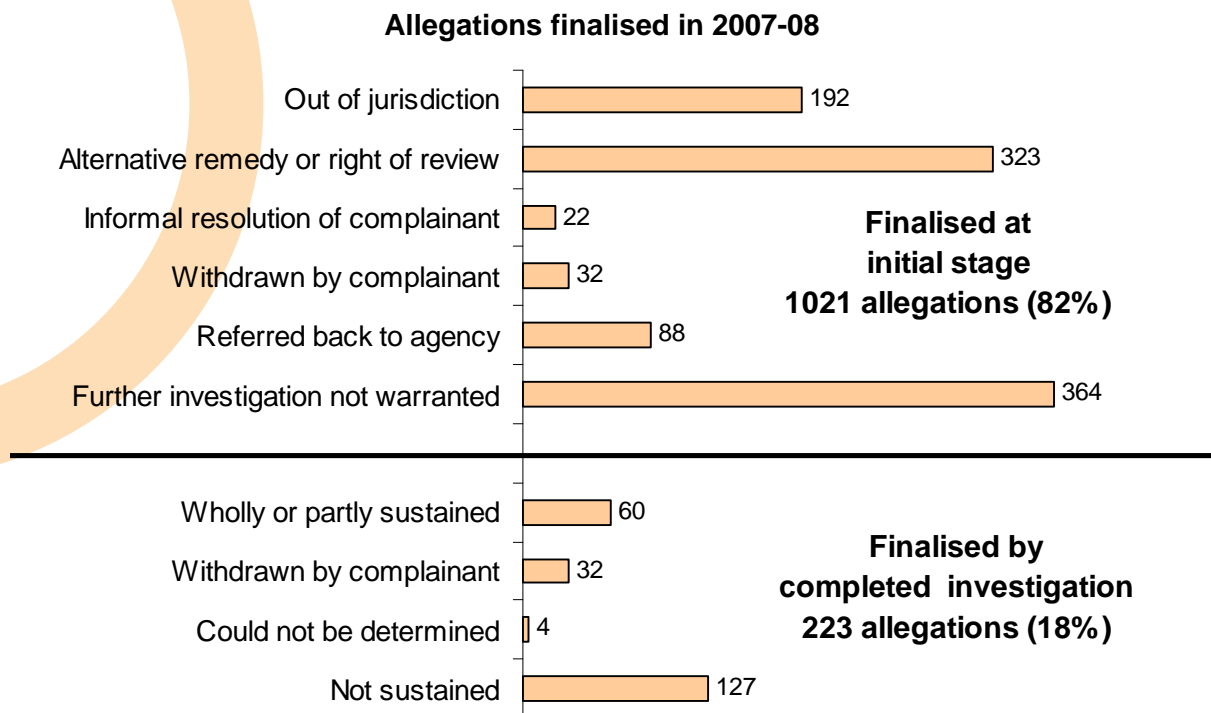
- An assessment is made that the complaint is out of jurisdiction, usually because it relates to the decision of a Minister or Cabinet, is not an administrative matter, or the public authority complained about is not covered by the Ombudsman's jurisdiction;
- The complainant has an alternative legal remedy or right of review or appeal where it is reasonable to expect the complainant to resort to that remedy;
- The complaint has been informally resolved to the satisfaction of the complainant;
- The complainant withdraws the complaint or decides not to proceed, for example if the person is satisfied with an explanation provided by the public authority;
- The matter is referred back to the public authority, for example, where the public authority is still investigating the complaint. In this case it may come back to the Ombudsman if the matter is not resolved by the authority; or
- Further investigation does not appear to be warranted in the circumstances. This may occur where initial investigation reveals another body, such as the Corruption and Crime Commission, may be more appropriate (or is already investigating the matter), the matter is more than 12 months old, is not an administrative matter, the complainant does not have sufficient personal interest in the matter or, in rare circumstances, where the complaint appears to be frivolous, trivial, vexatious, or not in good faith.

This stage generally involves obtaining further material from the complainant and contact with the public authority to determine its perspective. It may also involve contact with other complaint handling bodies to determine their involvement. The complainant is given reasons for any decision not to investigate or to cease investigation and is referred to an alternative where possible.

The remaining complaints (18%) were finalised following a completed investigation with one of the following outcomes:

- The complaint was wholly or partly sustained. In these cases the Ombudsman makes recommendations for remedial action for the complainant and to improve administrative practices to prevent reoccurrence;
- The complainant withdrew the complaint; or
- The complaint was not sustained. In some cases the investigation process highlights areas for improvement to administrative practices and the authority may advise the Ombudsman of voluntary action to make appropriate changes.

The number of complaints finalised during the reporting period was 1,093. These contained 1,244 allegations finalised as shown in the chart below.



This year 57 per cent of allegations investigated were not sustained. In many cases, the Ombudsman concluded that the agency had acted reasonably and within its powers. However, some allegations could not be sustained due to a conflict of evidence that could not be resolved. While a complainant may believe a public officer has acted unreasonably, it is often found that the cause is simply human error.

## Case Study

### Informal process allows early resolution

A university student commenced a Bachelor degree but experienced a number of medical problems during their studies that affected their performance. The student's course advisor suggested that they undertake units from a related discipline to allow them to complete their degree.

After taking that advice, the student was later informed that their course progress had not been satisfactory and their academic status had been terminated. By that time the student had spent four years and invested a large amount of money on their studies.

The student requested a transfer to an alternative degree course but the university said their grade average was too low and the mix of units they had undertaken was not related to a specific degree.

Ombudsman staff contacted the university and sought information about its termination process. As a consequence, the university examined the paperwork and agreed to allow the student to enrol in a related degree, subject to the fulfilment of a number of prescribed conditions. The student agreed to the offer and the matter was swiftly and informally resolved to their satisfaction.

*This case demonstrates that public authorities can resolve issues informally and quickly when brought to their attention.*



## Remedial Action to Benefit the Complainant

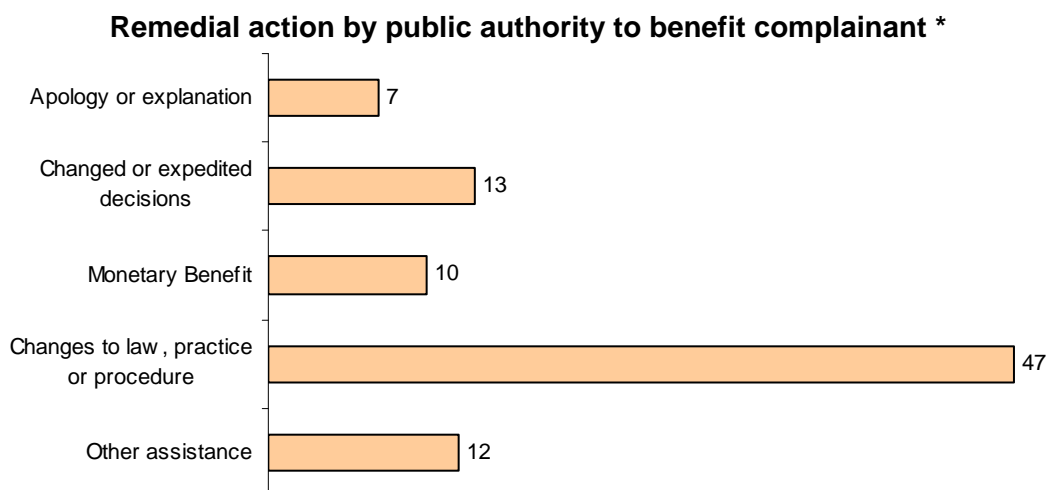
Complainants look to the Ombudsman to facilitate some form of assistance or action to remedy the problem they have complained about. Such assistance may involve the public authority:

- issuing an apology;
- expediting action;
- making an act of grace payment or reducing or withdrawing a monetary charge or infringement;
- providing a refund or rebate;
- reversing or varying a decision; and/or
- providing an explanation or giving reasons for action taken.

In some cases the complainant benefits from the involvement of the Ombudsman even though the complaint is not sustained, for example, where the authority voluntarily changes its practices. The office may also assist a complainant by providing advice about where to take their complaint if it is about something that the Ombudsman cannot deal with.

The Ombudsman's role is to provide an independent and impartial investigation of complaints. The percentage of complaints where assistance is provided to the complainant varies from year to year depending on the nature of the allegations received and is not a measure of the office's performance. In 2007-08 assistance was provided to the complainant, either through remedial action or through advice about where to take their complaint, for 22 per cent of allegations finalised, an increase from 14 per cent in the previous year.

The remedial action by public authorities to benefit the complainant as a result of Ombudsman investigations is shown in the chart below.



\* Changes to law, practice and procedure can occur that may not immediately benefit the complainant but may benefit them and others in the future. For example, the remedial actions that resulted from a complaint from a female prisoner that she was subjected to a forced body search in the presence of male officers led to changes to policies and procedures regarding such actions, particularly in relation to the use of force and the preservation of dignity.

## Remedial Action to Improve Public Administration

Improved administration may include changes to policy and procedures or other changes to improve systems, improve record-keeping and training of staff. A key role of the Ombudsman is to improve administrative decision making and practices in public authorities. One important way to do this is through recommendations or suggestions for improvements to processes or procedures as a result of shortcomings identified during the office's enquiries. An agency may also voluntarily take action to improve its administrative practices as a result of the Ombudsman's enquiries.

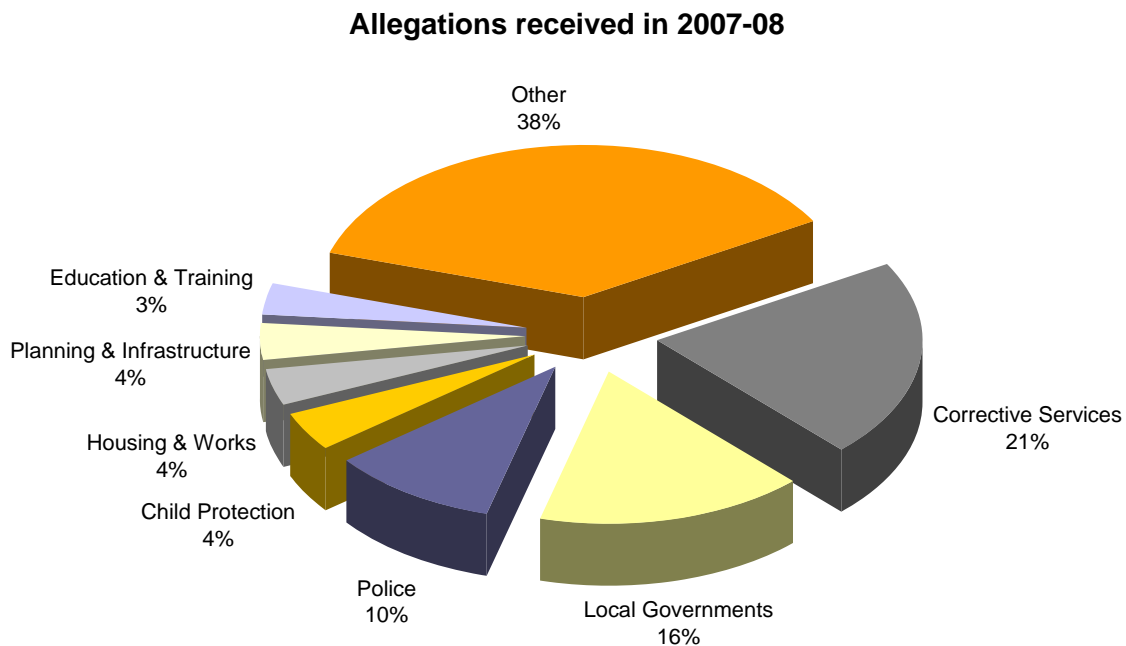
In 2007-08, administrative improvements agreed to by agencies as a result of the Ombudsman's investigations resulted in:

- 34 recommendations and suggestions for administrative improvement accepted by the public authorities; and
- 22 voluntary actions by public authorities as a result of the Ombudsman's involvement.

Further details on work undertaken by the Ombudsman to improve administrative practices and decision making are included in the section on Improved Public Administration later in this report.

## Primary Focus of Agency Complaints

The majority of complaints are received from seven key areas as shown below.



This section of the report provides additional information about those key areas that the Ombudsman's office deals with regarding complaints. It focuses on the two that are the source of the largest number of complaints; corrective services (in particular prisons) and local governments. It also includes additional information about public housing and works, and public education. These two sectors have smaller complaint numbers but provide important services to the community. Each of these four areas gives a good overview of the office's work over the reporting year.

Even though complaints about police comprise 10 per cent of all complaints made to the Ombudsman, a large number of these are referred to other sources of assistance, such as the Corruption and Crime Commission, or involve issues that can be remedied in a Court of Law so the Ombudsman would generally not investigate such complaints. A significant number of complaints received related to planning and infrastructure, which serves many functions in the community. Many complaints about this area can be dealt with through the State Administrative Tribunal or a Court of Law and the Ombudsman would not generally investigate such complaints.

## Corrective Services

Of the allegations received in 2007-08, 21 per cent related to corrective services. The *Parliamentary Commissioner Act 1971* provides for complaints from people in custody, including their entitlement to be provided with facilities to write to the Ombudsman's office and send their letters in special envelopes provided at the prisons. The envelopes are marked 'confidential' and deposited in a locked box for confidential mail. There is no requirement for prisoners to identify themselves on the confidential envelopes. This box is separate from other mail that requires scrutiny by prison staff in accordance with the *Prisons Act 1981*. Prisoners can also make free, confidential telephone calls to the Ombudsman's office.

In January 2008, the Complaints Administration Unit of the Department of Corrective Services became fully operational. The Unit is responsible for the management of complaints, compliments and suggestions from department staff, adults in custody, and the public. The complaints system is called 'ACCESS', and it provides discrete telephone lines for staff, the public, and prisoners. The ACCESS 'Custodial' line enables prisoners to make free, confidential calls to ACCESS. The Unit was established partly in response to the Ombudsman's and the Inspector of Custodial Services' concerns that the prisoner grievance system was not suitable for all prisoners, particularly Indigenous prisoners.

The Ombudsman's office is committed to continuing to work cooperatively with the Department of Corrective Services and Serco (Acacia Prison) and to maintaining the office's relationship with the Department of Corrective Services' Complaints Administration Unit.

## Allegations Received

There were 285 allegations received about corrective services during 2007-08. Of these, 250 related to prisons (including 21 relating to Acacia Prison, a private prison run by SERCO). Since 2004-05 there has been a decline in the number of complaints about prisons, which has continued this year as shown below. The office has undertaken considerable work with the Department of Corrective Services in assisting them to develop their internal complaint-handling systems and providing training to trainee prison officers, and the decline may be due to improved practices and internal complaint management, partly as a result of these activities.

### Allegations received about corrective services

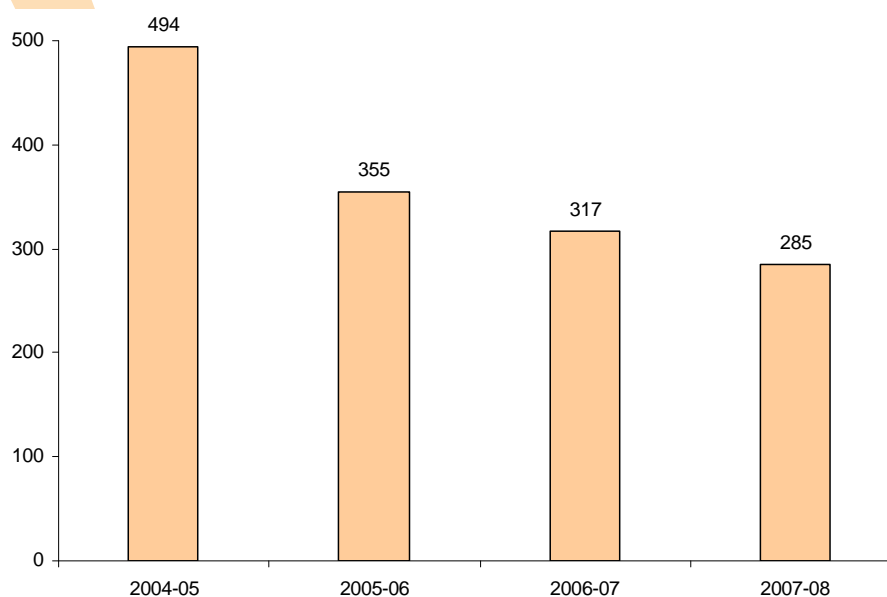


Table 4 shows the source of allegations received over the past four reporting years.

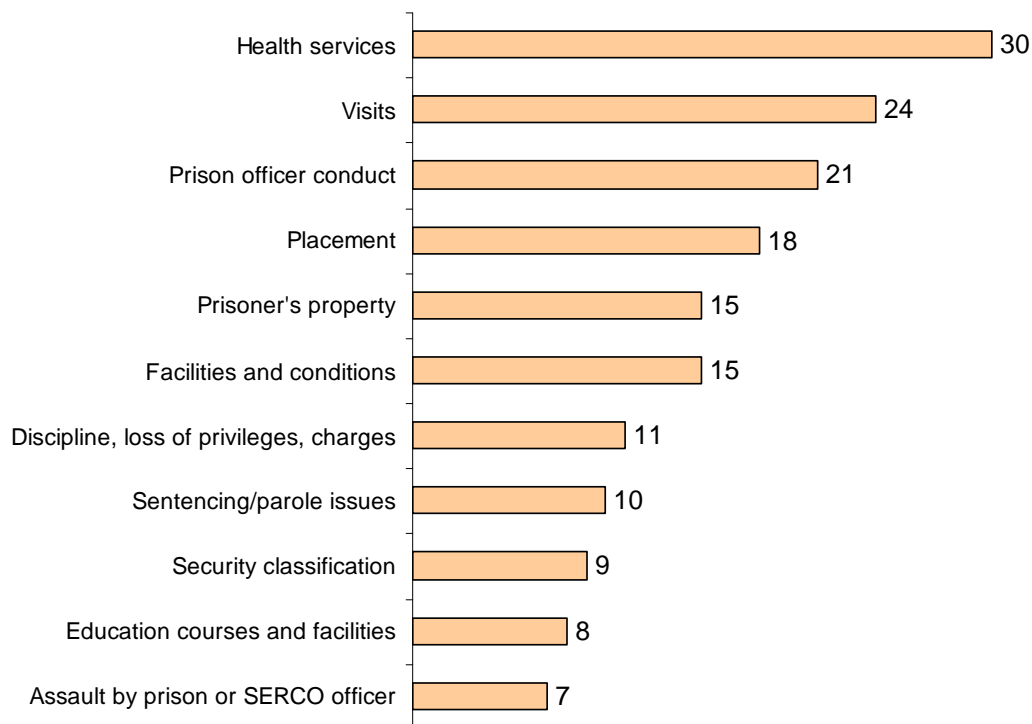
**Table 4 – Source of allegations received about corrective services**

	2004-05		2005-06		2006-07		2007-08	
Acacia Prison (Serco)	107	23%	50	14%	22	7%	21	7%
Acacia Prison (Department of Corrective Services)	18	4%	4	1%	34	11%	14	5%
Albany Regional Prison	13	3%	10	3%	32	10%	13	5%
Bandyup Women's Prison	30	6%	20	6%	30	9%	25	9%
Banksia Hill Detention Centre	0	0%	1	<1%	1	<1%	1	-
Boronia Pre-release Centre for Women	Opened 2006		10	3%	2	1%	1	-
Broome Regional Prison	2	<1%	5	1%	10	3%	7	2%
Bunbury Regional Prison	13	3%	6	2%	14	4%	16	6%
Casuarina Prison	105	21%	57	16%	48	15%	56	20%
Eastern Goldfields Regional Prison	19	4%	12	3%	3	1%	3	1%
Greenough Regional Prison	10	2%	9	2%	15	5%	10	4%
Hakea Prison	92	18%	87	24%	60	19%	48	17%
Karnet Prison Farm	9	2%	6	2%	7	2%	6	2%
Nyandi Prison	5	1%	Closed					
Rangeview Remand Centre	3	<1%	3	1%	5	2%	2	1%
Roebourne Prison	9	2%	6	2%	2	1%	12	4%
Wooroloo Prison Farm	6	1%	6	2%	8	3%	7	2%
Not allocated to a prison	53	10%	63	18%	24	7%	43	15%
<b>TOTAL</b>	<b>494</b>	<b>100%</b>	<b>355</b>	<b>100%</b>	<b>317</b>	<b>100%</b>	<b>285</b>	<b>100%</b>

## Nature of Allegations Received

Most prison-related allegations (168) relate to the areas shown in the chart below. There are also small numbers of complaints about areas such as communications, the prisoner grievance procedure, food and diet, transport, individual management plans, drug detection, protection, rehabilitation, prisoner employment and authorised absences/funerals.

**Nature of prison allegations in 2007-08**



## Allegations Finalised

This year, 265 allegations about corrective services were finalised, as shown in Tables 5 (a) and (b).

**Table 5 (a) – Allegations finalised at initial stage**

	Number of allegations	% (approx)
Out of jurisdiction	9	3%
Alternative remedy or right of review	108	42%
Informal resolution of complaint	1	>1%
Withdrawn by complainant	11	4%
Referred back to agency	30	12%
Further investigation not warranted *	99	38%
<b>Total allegations finalised at initial stage</b>	<b>258</b>	<b>100%</b>

\* Includes cases where enquiries were made and assistance provided without further investigation.

Table 5 (b) – Allegations finalised by completed investigation

	Number of allegations	% (approx)
Sustained wholly or partly	3	43%
Withdrawn by complainant	0	0%
Could not be determined	0	0%
Not sustained	4	57%
<b>Total allegations finalised by completed investigation</b>	<b>7</b>	<b>100%</b>

### Remedial Action to Benefit Complainant or to Improve Public Administration

Examples of remedial action provided to complainants and action to improve public administration as a result of recommendations made by the Ombudsman or voluntary action by the Department of Corrective Services included:

- the development of strategies by the Department of Corrective Services, in conjunction with the Disability Services Commission, to better address the needs of prisoners with intellectual disabilities that will benefit the complainant and other prisoners in the future; and
- a review by the Department of Corrective Services of the predator policy within prisons to ensure that prisoners subjected to this policy are given clear information about their appeal rights that will benefit the complainant and other prisoners in the future.

#### Case Study

#### Return to court results in reduced sentence

The Ombudsman's office is able to act as a circuit-breaker in complex cases. An example is the case of a prisoner who complained that the agency responsible for calculating prison sentences had incorrectly calculated their sentence and eligibility for parole.

In effect, the agency interpreted the prisoner's sentence to mean one thing, while the judge believed the agency had misinterpreted the statute.

The Ombudsman's office arranged for the agency to seek advice from the State Solicitor's Office, who confirmed the way the agency had calculated the sentence. The agency then invited the judge to reconsider his views about the matter.

Solicitors for the prisoner, supported by comments from the sentencing judge, believed the agency had misinterpreted the legislation and the effect on the prisoner's sentence.

At this hearing, the original sentence was set aside, and the agency recalculated the prisoner's new sentence in the manner intended by the judge. The end result was that although the prisoner's complaint that the agency had miscalculated their sentence was not upheld, they became eligible for parole two years earlier than under the original sentence.

*This case illustrates how the complaint process may result in benefits for the complainant or improved public administration even though the complaint itself is not sustained.*

## Local Government

The local government sector provides a diverse range of services to local communities. Many of these services, including planning and building approvals, community facilities, parking enforcement, maintenance of local roads and footpaths and control of animals such as dogs have the potential to generate complaints. Complaints about local governments accounted for the second largest number of complaints received during the year.

### Allegations Received

During the year, 204 allegations were received about the administrative practices of 63 of the 141 local governments that fall within the Ombudsman's jurisdiction. Overall, allegations about local governments represented 16 per cent of all allegations received by the office in the reporting period. The number of allegations received has remained relatively steady over the last four years as seen below.

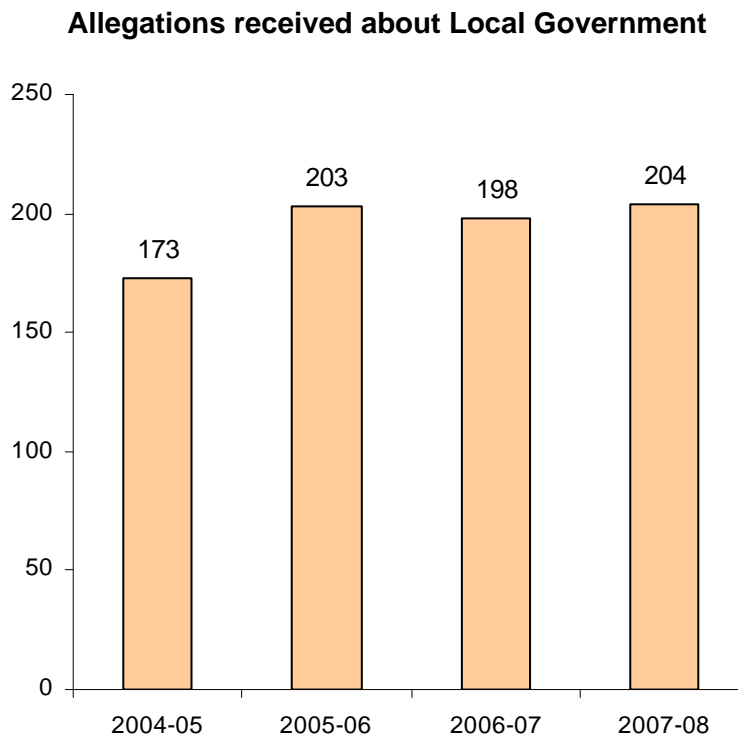


Table 6 shows the main sources of allegations in the last four years, showing local governments that have had 10 or more complaints made about them in 2006-07 or 2007-08.

Table 6 – Source of allegations received about local governments

	2004-05		2005-06		2006-07		2007-08	
	Number received	Approx. %	Number received	Approx. %	Number received	Approx. %	Number received	Approx. %
Town of Cambridge	11	6%	3	2%	5	3%	4	2%
City of Canning	4	2%	2	1%	12	6%	5	3%
City of Cockburn	6	4%	6	3%	12	6%	6	3%
City of Gosnells	13	8%	23	11%	10	5%	8	4%
City of Joondalup	6	4%	7	3%	3	2%	9	4%
City of Melville	3	2%	13	6%	9	5%	12	6%
Shire of Murray	10	6%	6	3%	1	1%	1	1%
City of Stirling	12	7%	18	9%	5	3%	12	6%
City of Swan	4	2%	12	6%	10	5%	19	9%
Shire of Toodyay	0	0%	1	1%	11	6%	3	1%
Town of Vincent	7	4%	4	2%	1	1%	8	4%
Other local governments	97	55%	108	53%	119	57%	117	57%
<b>TOTAL</b>	<b>173</b>	<b>100%</b>	<b>203</b>	<b>100%</b>	<b>198</b>	<b>100%</b>	<b>204</b>	<b>100%</b>

### Nature of Allegations

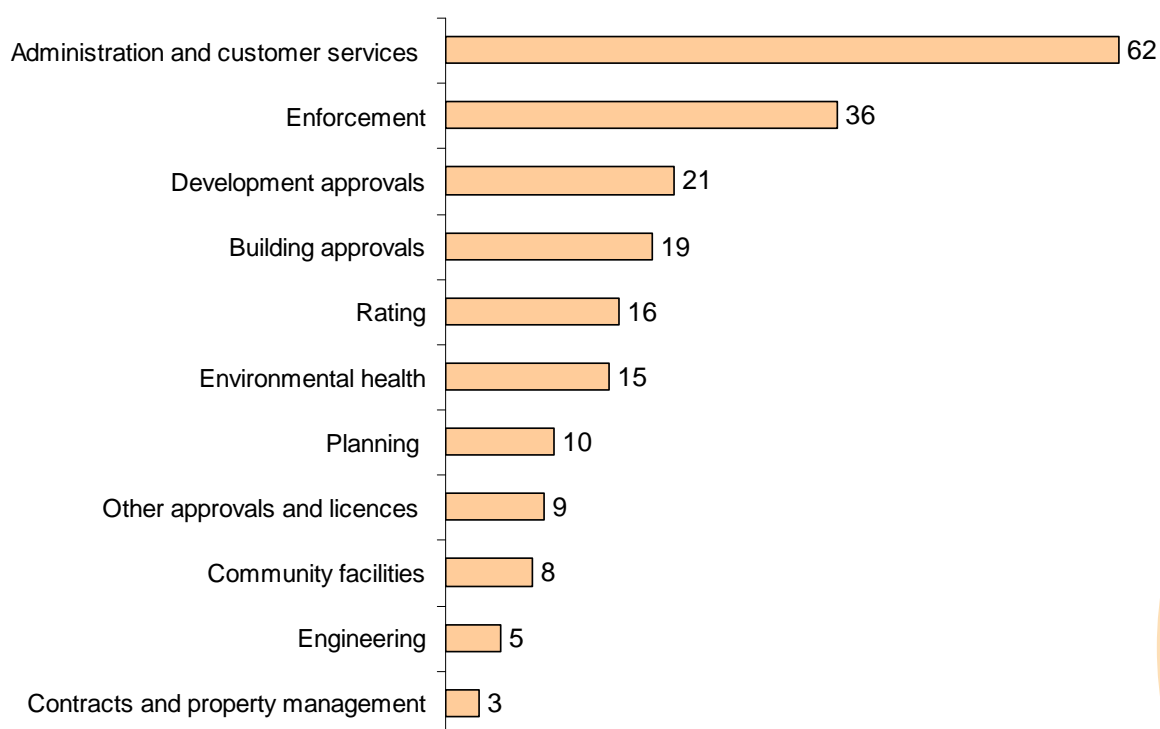
The largest number of allegations received about local governments (30%) related to administration and customer services. These include complaint handling, provision of information, conduct of officers/councillors, elections, liability claims, meetings and resumption of property.

There were also a large number of allegations (25%) related to building, development and planning services, which includes construction and demolition matters, objections to applications and conditions/refusals of applications.

Local government enforcement actions accounted for 15 per cent of allegations received. This relates to action on unauthorised development/use/buildings, control of animals, enforcement of development and building conditions, enforcement of other statutes/local laws, fire control, parking and traffic enforcement.



### Nature of Local Government allegations in 2007-08



### Allegations Finalised

This year, 218 local government allegations were finalised, as shown in Table 7 (a) and (b) below.

Table 7 (a)- Allegations finalised at initial stage

	Number of allegations	% (approx)
Out of jurisdiction	2	1%
Alternative remedy or right of review	38	29%
Informal resolution of complaint	5	4%
Withdrawn by complainant	9	7%
Referred back to agency	12	9%
Further investigation not warranted *	65	50%
<b>Total allegations finalised at initial stage</b>	<b>131</b>	<b>100%</b>

\* Includes cases where enquiries were made and assistance provided without further investigation.

Table 7 (b) – Allegations finalised by completed investigation

	Number of allegations	% (approx)
Sustained wholly or partly	18	21%
Withdrawn by complainant	3	3%
Could not be determined	4	5%
Not sustained	62	71%
<b>Total allegations finalised by completed investigation</b>	<b>87</b>	<b>100%</b>

### Remedial Action to Benefit Complainant and/or to Improve Public Administration

Remedial action provided to complainants as a result of recommendations made by the Ombudsman or voluntary action by the local government for matters finalised in 2007-08 is shown in Table 8. In 2007-08 there were 84 remedial actions that benefited the complainant, compared with 53 in 2006-07.

A high proportion of the allegations finalised resulted in assistance being provided to the complainant by way of an explanation about the actions of the local government complained about and/or the basis of the reasons for those actions.

Table 8 – Remedial action of direct benefit to complainant

	Number of actions
Apology given	2
Explanation provided *	60
Action/decision expedited or reversal or variation of decision	1
Monetary charge reduced, withdrawn or refunded or act of grace payment	1
Other assistance	20**
<b>Direct benefit for complainant</b>	<b>84</b>

\* This includes explanations provided by the Ombudsman.

\*\* This includes changes to law, practice or procedure.

Examples of remedial action provided to complainants and action taken to improve public administration as a result of recommendations made by the Ombudsman or voluntary action by the local government included:

- Parking infringements issued to a complainant were withdrawn following negotiation with the local government. While there was no conclusive evidence of problems in the administrative practices of the local government, it recognised that it was reasonable for this to occur in the circumstances;

- The implementation of a number of changes to improve communication about actions impacting on a property owner when reduction burns on property are planned and to provide an opportunity for the complainant to discuss their concerns personally with the local government;
- A review of procedures concerning the authorisation of building work and some remedial work to restore the property affected was directed by the local government;
- In the case of erected signage that impacted on the complainant's view from his home, although the signage was found to be appropriate in the circumstances, the local government agreed that, in the future, it would consider informing local residents of plans to erect signage; and
- A review of communication processes in regards to the handling of complaints by a local government.

## Case Study

### Complaint about adjoining property development results in changes to local government processes

The owners of two properties wrote to a local government complaining about overlooking and privacy issues resulting from construction of a house on an adjoining property.

Having received no reply or explanation from the local government after three months, the owners individually complained to the Ombudsman. The property owners complained that the local government had not taken adequate steps to:

- ensure planning and/or building application and approvals processes had been followed;
- consult affected adjoining neighbours;
- properly assess the plans and their effect on the adjoining properties; and
- adequately supervise the development or recognise unauthorised works were proceeding.

In response to the Ombudsman's enquiries, the local government recognised the need to improve its procedures for dealing with planning and building matters and advised on a number of initiatives to address issues identified by this case. These included:

- encouraging consultation between developers and neighbours;
- introducing new procedures for dealing with building plans including implementing site visit checklists for application assessment; and
- introducing new procedures for dealing with engineering certification of certain building works.

The local government also recognised the need to improve its complaint handling procedures and advised that, in future, it would require that all written complaints be responded to within 10 days of receipt.

The Chief Executive Officer invited the complainants to meet him to discuss these initiatives and any other matters they wished to raise concerning the adjoining development. The Ombudsman's office considered this was a reasonable course of action.

*This case highlights how complaints provide opportunities for public authorities to review their processes and procedures and make improvements for the future.*

## Public Housing

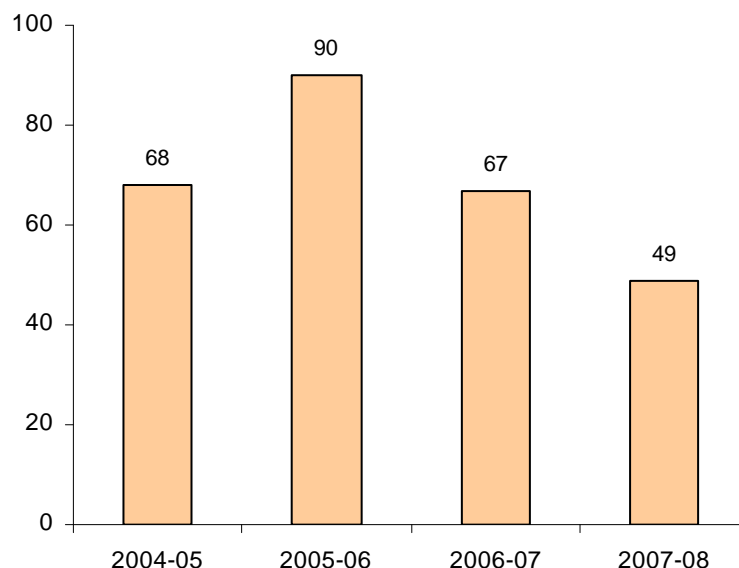
The Department of Housing and Works provides a diverse range of services to the community. These include public and community housing, Indigenous and regional housing, Keystart home loans, property sales, major government projects, capital works projects and property and facilities maintenance and services. Over the last three years, there has been a decline in complaints about housing and works, which now comprise 4 per cent of allegations received by the Ombudsman.

### Allegations Received

In 2007-08, there were 46 complaints received about the Department of Housing and Works, involving 49 allegations, the lowest number in the last four years. The majority of complaints about the Department are handled by its internal appeals process and only a small proportion come to the Ombudsman's office. It may be that more complaints are being resolved to the satisfaction of its tenants through that process, thereby reducing the need to complain to this office.

Allegations received are shown below.

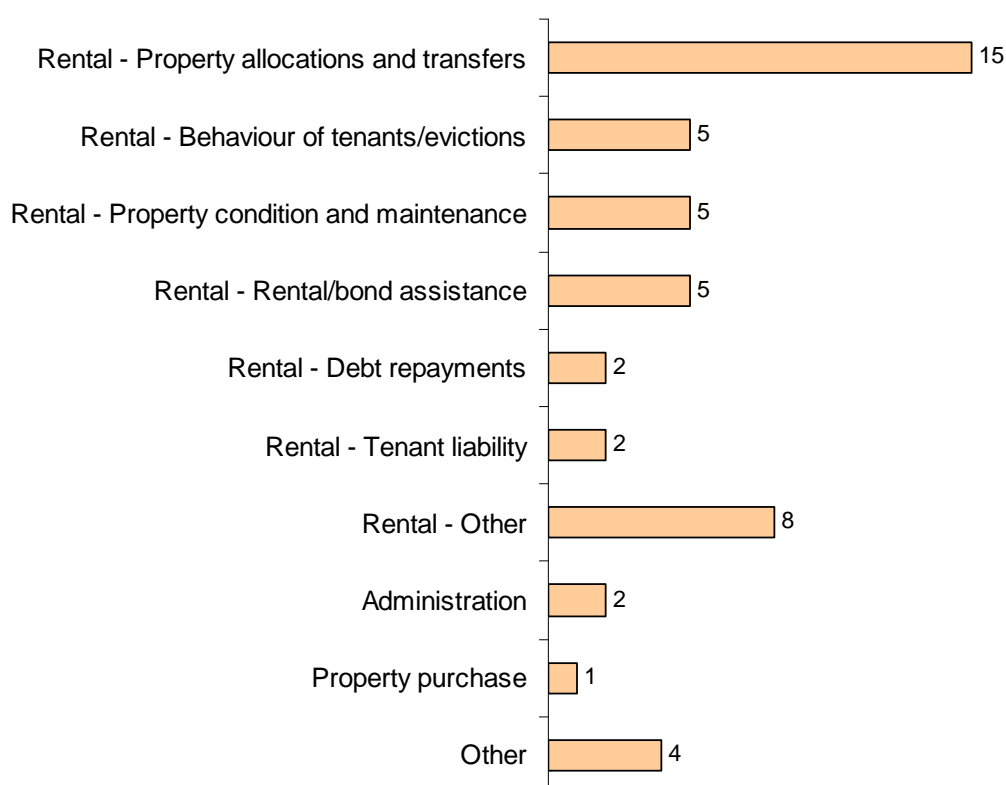
**Allegations received about Housing and Works**



### Nature of Allegations

While the overall number of complaints has decreased in the past year, the range of issues complained about is broadly similar to previous years. Most allegations (86%) concerned the rental operations program of the Department. Of these, the largest number of allegations (31% of all allegations) related to the property allocation and transfer process. A further 10 per cent involved property condition and maintenance issues.

### Nature of Housing and Works allegations in 2007-08



### Allegations Finalised

Tables 9 (a) and (b) show the outcome of complaints finalised during the reporting period. As with last year, a higher number of allegations (55) were finalised in 2007–08 than were received (49).

Table 9 (a) – Allegations finalised at initial stage

	Number of allegations	% (approx)
Out of jurisdiction	0	0%
Alternative remedy or right of review	10	24%
Informal resolution of complaint	3	7%
Withdrawn by complainant	1	2%
Referred back to agency	2	5%
Further investigation not warranted *	26	62%
<b>Total allegations finalised at initial stage</b>	<b>42</b>	<b>100%</b>

\* Includes cases where enquiries were made and assistance provided without further investigation.

Table 9 (b) – Allegations finalised by completed investigation

	Number of allegations	% (approx)
Sustained wholly or partly	4	30%
Withdrawn by complainant	0	0%
Could not be determined	0	0%
Not sustained	9	70%
<b>Total allegations finalised by completed investigation</b>	<b>13</b>	<b>100%</b>

### Remedial Action to Benefit Complainant and/or to Improve Public Administration

Remedial action provided to complainants as a result of recommendations made by the Ombudsman or voluntary action by the Department of Housing and Works for matters finalised in 2007-08 is shown in Table 10. In 2007-08 there were nine remedial actions that benefited the complainant compared with 10 in 2006-07.

Table 10 – Remedial action of direct benefit to complainant

	Number of actions
Apology given	1
Action/decision expedited or reversal or variation of decision	1
Monetary charge reduced, withdrawn or refunded or act of grace payment	4
Other assistance *	3
<b>Direct benefit for complainant</b>	<b>9</b>

\* Other assistance included changes to law, practice or procedure.

Examples of remedial action provided to complainants and action taken to improve public administration as a result of recommendations made by the Ombudsman or voluntary action by the Department of Housing and Works included:

- A tenant complained that there was outstanding maintenance of a housing and works property he was renting and that this was impacting on his health. His attempts to have the problem dealt with by the Department of Housing and Works had not resolved the problem. The investigation discovered that the Department of Housing and Works thought a contractor engaged by the department had dealt with the issues but this was not the case. Despite efforts made by the Department of Housing and Works to resolve the issues, the dispute became protracted. Following intervention by the Ombudsman, the maintenance issues were expedited;

- A tenant of property for over 15 years was moving to private rental. The Department of Housing and Works deemed the tenant liable for costs to remove and replace items that they deemed to be in a state of disrepair or missing. The liability was disputed by the tenant. An investigation revealed that previous inspections of the property had not identified any issues with the items and there was no evidence that the items were present when the tenant moved into the property or at any other time. The Department of Housing and Works waived all tenant liability and refunded the bond money due to the tenant;
- A tenant moved into a property and the floor tiles were not sealed as they should have been and became dirty and marked. When the tenant vacated the property, attempts to clean the floor made it worse. The tenant was deemed liable for the damage and their bond money was withheld. After intervention by the Ombudsman, the tenant's liability was quashed and the bond money was refunded;
- Another tenant moved into emergency housing that was poorly maintained and was given an undertaking that it would be improved. The work was not done and when he vacated the property, he was held liable for the maintenance issues. Following intervention by the Ombudsman, an apology was issued by the Department of Housing and Works and a rebate credited to the tenant's current rental account to repay the money taken from his bond for the original tenancy; and
- As a result of some of these complaints and a review of its processes, the Department of Housing and Works voluntarily implemented changes to its administrative practices and the functions of some key staff, to ensure pre-vacation inspections are carried out with the tenant present so that these kinds of disputes can be dealt with at that time.

## Case Study

### Better information for relocated tenants

A public housing tenant and her daughter who had a disability were relocated while their home was refurbished. They understood they would be returning to the property after the refurbishment work was completed. During this period, the tenant passed away. Although the daughter had lived all her life with her mother and had contributed to the rent since she was 16, she was not the legal tenant.

During the refurbishment, the Government agency responsible for the property decided that it was not financially viable to retain the property for rental purposes as the refurbishment costs had far exceeded the estimates obtained. It decided to sell the property, which upset the daughter, who wanted to return to her original home. As she was not the legal tenant, she was concerned about where she would live.

During the Ombudsman's enquiries, the agency acknowledged the impact on the daughter of not being eligible to 'inherit' her mother's former tenancy and it advised that, as a long term household member of the tenancy, it would assist her with some rental accommodation. It agreed to allow the daughter to remain in the property to which she and her mother had been relocated. Alterations were made to the property to make it suitable for the daughter's long term needs.

To avoid similar situations occurring in future and to ensure tenants are made aware that it may not be possible for them to return to their former home following a refurbishment program, the agency advised that it would ensure information was provided to tenants. This would make them aware that refurbished properties may be sold and alternative accommodation found for the tenant.

*This case highlights the need to ensure that public authorities keep their customers informed about processes which impact upon them. It also highlights how an agency took action to assist someone affected by a decision it made, and to review and refine its procedures to avoid similar problems occurring.*

## Public Education Sector

The public education sector includes the Department of Education and Training (including individual schools), the Department of Education Services, the Curriculum Council, Technical and Further Education (TAFE) colleges and public universities.

### Allegations Received

During the year 82 allegations were received and a total of 95 allegations were finalised. There has been a significant increase in complaints about public education this year as shown in the chart below. This may be as a result of the introduction of a new *National Code of Practice for Registration Authorities and Providers of Education and Training for Overseas Students 2007*, which gives international students the right of appeal to an external and independent body, such as the Ombudsman, if their internal appeals were unsuccessful at school or university level. Action to promote the new code is likely to raise awareness about the role of the Ombudsman's office. Further details about the new code are included later in this report.

**Allegations received about Public Education**

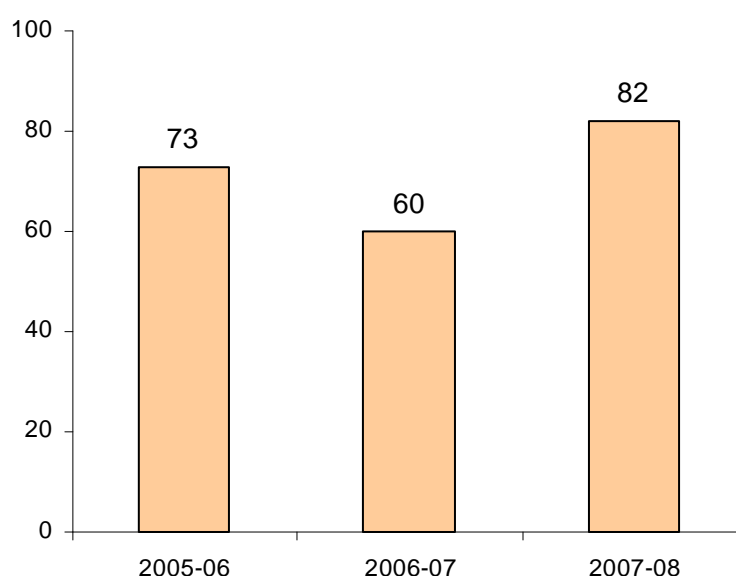


Table 11 shows details of allegations received during the year compared with the previous two years, together with the institutions complained about.

	2005-06 received	2006-07 received	2007-08 received
Department of Education and Training (administration and individual schools)	34	32	43
Curriculum Council	3	0	1
Central TAFE	4	4	6
Central West College of TAFE	1	0	0



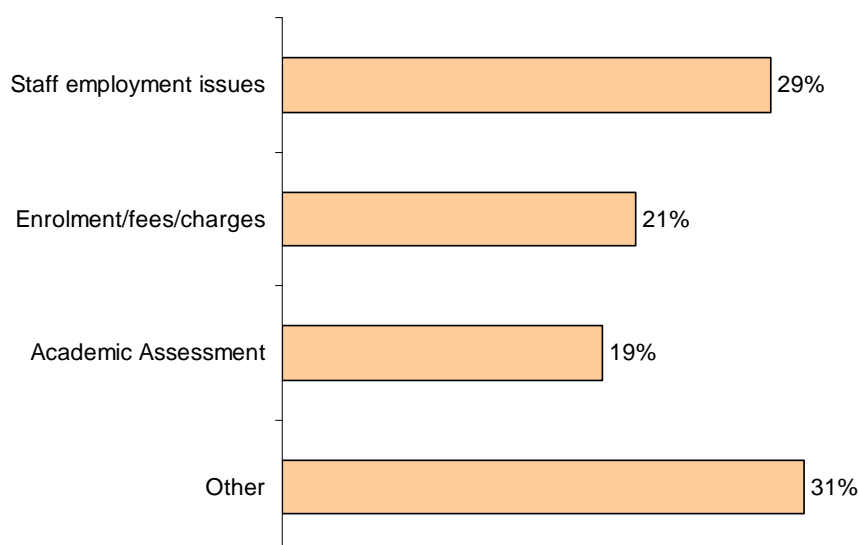
Table 11 - Allegations received about public education

	2005-06 received	2006-07 received	2007-08 received
Challenger TAFE	0	2	0
Kimberley TAFE	0	0	1
Pilbara TAFE	1	0	0
Swan TAFE	0	0	1
West Coast TAFE	0	0	0
<b>Total TAFE</b>	<b>6</b>	<b>6</b>	<b>8</b>
Curtin University	5	11	7
Edith Cowan University	8	3	13
Murdoch University	7	4	9
University of Western Australia	10	4	1
<b>Total Public Universities</b>	<b>30</b>	<b>22</b>	<b>30</b>
<b>TOTAL PUBLIC EDUCATION</b>	<b>73</b>	<b>60</b>	<b>82</b>

### Nature of Allegations

Allegations about public education relate to the three main areas of staff employment, enrolment fees and charges, and academic assessment. The 'other' allegation category includes allegations such as the quality of teaching and organisation of courses and student discipline.

#### Nature of Public Education allegations in 2007-08



## Allegations Finalised

Tables 12 (a) and (b) show the outcome of complaints finalised during 2007-08. As with last year, a higher number of allegations (95) were finalised in 2007-08 than were received (82).

Table 12 (a) – Allegations finalised at initial stage		
	Number of allegations	% (approx)
Out of jurisdiction	5	9%
Alternative remedy or right of review	18	32%
Informal resolution of complaint	0	0%
Withdrawn by complainant	2	4%
Referred back to agency	7	12%
Further investigation not warranted *	24	43%
<b>Total allegations finalised at initial stage</b>	<b>56</b>	<b>100%</b>

\* Includes cases where enquiries were made and assistance provided without further investigation.

Table 12 (b) – Allegations finalised by completed investigation		
	Number of allegations	% (approx)
Sustained wholly or partly	15	39%
Withdrawn by complainant	11	28%
Could not be determined	0	0%
Not sustained	13	33%
<b>Total allegations finalised by completed investigation</b>	<b>39</b>	<b>100%</b>

## Remedial Action to Benefit Complainant and/or to Improve Public Administration

Remedial action provided to complainants as a result of recommendations made by the Ombudsman or voluntary action by the agencies are shown in Table 13. It is possible for a complainant to receive more than one form of assistance with respect to the one allegation. In 2007-08, there were 39 remedial actions that benefited the complainant compared to 23 in 2006-07.

Table 13 – Remedial action of direct benefit to complainant	
	Number of actions
Explanation provided *	32
Action/decision expedited or reversal or variation of decision	2
Monetary charge reduced, withdrawn or refunded or act of grace payment	2
Other assistance	3
<b>Direct benefit for complainant</b>	<b>39</b>

\* Includes explanations provided by the Ombudsman.

Examples of remedial action provided to complainants and action taken to improve public administration as a result of recommendations made by the Ombudsman or voluntary action by the education authority included:

- A university agreed to have a student's appeal against academic assessment reheard by a committee consisting of new members and to ensure that procedural fairness principles were applied;
- In view of the particular circumstances of the case, a university agreed to reimburse a student for any demonstrated loss of earnings and other reasonable costs associated with undertaking a supplementary practicum;
- A university agreed to the conditional re-enrolment of a student who had been terminated from a course;
- The Curriculum Council reissued certificates to a student in the name he had changed to under the *Change of Name Regulations*;
- A university revised its instructions to staff about student practicums, reinforcing the need for them to record reasons for assessment decisions including the criteria used. In addition it agreed to provide training about procedural fairness principles to persons involved with academic assessment appeal committees;
- A university revised its appeal against academic assessment procedures to require that students be given detailed reasons for decisions; and
- A university agreed to review its system for student appeals against academic processes to allow students to make further submissions to the appeal committee where special circumstances apply, for instance, where new information is provided to the Committee during the appeal process that the student has not had the opportunity to respond to.

## Case Study

### Waiving the cost of a computer

A teacher complained that a public authority was seeking the full residual value for the late return of a notebook computer under the Notebooks for Teachers Program. The teacher claimed permission had been sought and received to retain the notebook for an additional month during the teacher's transfer to a new location. The public authority disputed the teacher's claim.

The public authority maintained that, in signing the 'Notebook Registration Form', the teacher entered into a binding contract and effectively agreed to the terms and conditions of the Program. Teachers were contractually obligated to return the notebooks at the third anniversary of their delivery. Program participants had been sent detailed written advice and instructions, in advance, regarding the need to return notebooks and the potential consequences should they fail to do so. However, the view of the Ombudsman was that the information did not adequately convey the requirement for the notebooks to be returned no later than the anniversary date, or the consequences of having to pay the residual value and penalties should it be returned after the final deadline.

The agency acknowledged that there were a number of shortcomings in the initial agreement. However, in May 2007, the original agreements ended and all participants were then covered under a new, more comprehensive set of terms and conditions. Information provided on the website was amended to outline the financial impacts for missed collections.

The Ombudsman's office considered there was no reason to believe that the teacher was acting in other than good faith in their claims and, given the disparity of accounts and the absence of evidence to the contrary, was not persuaded that the teacher's claim should be completely disregarded. It did not seem reasonable for the teacher to have to bear the full cost of the pay-out of the residual value of the notebook computer as well as the financier's charges. The Ombudsman's office suggested the public authority consider waiving half the amount charged for the late return of the notebook computer and the public authority accepted this suggestion.

*This case study highlights the requirement for clear terms and conditions and the communication of those to all relevant parties. The case study also shows how the Ombudsman's office's recommendations can help achieve a reasonable outcome for the complainant and the public authority.*

## Overseas/International Students

### Introduction

A new *National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007* came into effect on 1 July 2007. The new Code gives international students the right of appeal to an external and independent body, such as the Ombudsman, if their internal appeals were unsuccessful at school or university level.

Around 19,000 overseas students are currently enrolled at institutions that provide government education services to overseas students. An international student visa holder can no longer be reported to immigration authorities by their educational institution until the student has been given the opportunity to access the external appeals process.

This new jurisdiction has seen the Ombudsman working closely with public universities in Perth to ensure a consistent interpretation of the Code. During the year, the Ombudsman's office dealt with nine appeals from international university students. As a result of suggestions made, the universities have improved their internal appeals processes and complaint handling procedures.

These improvements include:

- changing wording on standard letters to make them easier for international students to understand;
- ensuring international students know of their right to a support person during an appeal;
- documenting fully the reasons for deciding appeals; and
- making certain that the reasons for decisions reflect university policies.

Processes have been refined within the Ombudsman's office to ensure international student complaints are handled efficiently due to the implications for the student's visa status.

### Case Study

#### Improved process to give reasons for decisions

An overseas student complained that a university had unreasonably dismissed their appeal against termination of their enrolment in a Bachelor degree. This had significant implications for retaining their student visa. The student also complained that the university did not notify them that their application for a deferred examination due to illness had been denied, and that they had not been given the opportunity to appeal that decision before termination was considered.

The investigation confirmed that no written notification had been sent to the student advising them that their application for a deferred examination had been denied, giving reasons for that decision or outlining the procedure should they wish to appeal that decision. However, despite this administrative shortcoming, the Ombudsman's office did not believe that this matter was crucial to the final outcome. This was because the policy in place at the time required students to have submitted all the required assignments for the course up to the time sickness had occurred. The complainant had not met this requirement.

The Ombudsman's office was satisfied that:

- the university had made its decision on the appeal against termination based on the student's academic record and its assessment of the reasons and circumstances set out in the appeal; and
- the decision was in keeping with its policies on academic status and grading of results.

*Although the conclusions were of no direct assistance to the complainant, this complaint raised the general issue of providing students with "reasons for decisions". After raising these concerns with the university, it agreed that it needed to address the issue of providing students with reasons for decisions and advised that its policy and procedures were being re-written to achieve this. This case study is an example of an issue dealt with under the new National Code of Practice.*

## Requests for Review

The Ombudsman's office is committed to providing complainants with a service that reflects best practice administration. Staff always give reasons for a decision and handle requests for review of a decision in a fair, timely and professional manner. This includes decisions not to investigate a complaint or to discontinue an investigation, as well as conclusions reached after an investigation.

If a complainant requests a review, the office treats this as opportunity to identify whether there are any weaknesses in the complaint systems. If problems are found with the investigative and decision-making process or with the way decisions have been communicated, steps are taken to correct them and to improve service delivery. A review helps the office satisfy itself that staff have acted fairly and reasonably in dealing with the complaint.

As reviewing a decision can require substantial resources, a decision is only reviewed once. Unless there are special circumstances, requests for review will only be considered up to 12 months after the date of the initial decision.

Reviews are not conducted by the staff member who handled the original complaint. The reviewer will be more senior or a peer and will have had no previous involvement with the case.

The reviewer generally considers all documents in the case and may make further enquiries. In some cases, following a review, the original decision may be changed or the case re-opened and some further action taken.

Twelve complaint reviews were conducted this year, or one per cent of the total number of complaints received.

## Improved Public Administration

There are a number of ways in which the Ombudsman achieves outcomes that result in improvements to public administration. These are:

- investigation of complaints made to the Ombudsman;
- own motion investigations – these usually occur where the Ombudsman initiates an investigation into a systemic issue identified as a result of a number of complaints received about a particular issue or where a concern about a particular issue is identified even though complaints may have not been received;
- inspections of prisons conducted in conjunction with the Inspector of Custodial Services; and
- other mechanisms such as through assistance, education and training undertaken by the Ombudsman about good decision-making and practices.

## Investigation of Complaints

Investigations undertaken by the office are a key mechanism through which administrative improvements are achieved. In a number of cases, the Ombudsman makes recommendations or suggestions to an agency for improvements to processes or procedures as a result of shortcomings identified during the office's enquiries. Some improvements occur because an agency voluntarily initiates a review of its processes and procedures where, as a result of the Ombudsman's enquiries, it realises there were gaps in its service delivery that should be addressed. There were 34 improvements to the practices and procedures of public authorities this year as a result of recommendations or suggestions made by the Ombudsman. In addition, there were 22 instances where public authorities voluntarily initiated changes to practices or procedures, or initiated training for staff, as a result of complaints being made to the Ombudsman.

### Case Study

#### Improved notification to textbook writers about changes to subjects

A textbook writer and publisher complained about the way the authority responsible for setting the Tertiary Entrance Examination (TEE) Curriculum introduced changes to the syllabus of a TEE subject. The writer claimed that the authority's approach made it difficult to understand the nature of the changes, which resulted in a waste of many hours amending his textbooks in ways that were unnecessary.

The Ombudsman's investigation revealed that the process used to amend subject syllabuses included consultation with a committee made up of representatives from the secondary and post secondary sector as well as industry groups with expertise in the field. For this reason the Ombudsman did not consider that it was necessary to consult individually with textbook writers.

However, the Ombudsman's office was concerned that there was potential for committee members who may also be textbook writers to obtain information that gave them an unfair commercial advantage over other textbook writers. For this reason, it was suggested that the authority review its conflict of interest policy.

The Ombudsman's investigation also revealed that conflicting advice had been provided to the textbook writer on a number of occasions and that there were inadequacies in the process for ensuring that subject curriculum information was error free and unambiguous at the beginning of the school year. The Ombudsman suggested a review of the authority's processes to help reduce the possibility of such problems recurring, including establishing ways of providing textbook writers with timely and accurate advice about changes to syllabuses. These suggestions were accepted.

*This case study is an example of how the making of a complaint to the Ombudsman can result in changes to practices and procedures following a suggestion made by the Ombudsman's office.*

### Follow Up of Ombudsman Recommendations

In 2007-08, the Ombudsman's office reviewed whether recommendations and suggestions made by the Ombudsman over a six year period had been implemented by public authorities. The outcome was that Ombudsman recommendations and suggestions had been implemented in 97 per cent of cases. The review showed that action taken by public authorities to assist complainants included expediting action, reducing or refunding fees and charges, explaining reasons for decisions, making an apology or providing compensation payments.

Actions taken to improve future administrative practices included changes to organisational policies and procedures, staff training and improved record keeping.

### Own Motion Investigations

The office finalised one own motion investigation during the year and followed up on the implementation of recommendations on another. The details are outlined below.

#### Grievance Process for Indigenous Prisoners

An investigation into the Department of Corrective Services' prisoner complaints system (grievance process) for Indigenous prisoners was completed in September 2007. The investigation focused on Broome Prison. This is an adult prison with a high proportion of Indigenous people. At the time of the investigation, 95 per cent of prisoners were Indigenous people.

The investigation involved an assessment of the grievance process against the criteria relating to accessibility, fairness, efficiency, and accountability.

A number of observations were made about the administration of the grievance process during the investigation, which were passed on to the Department to assist it in implementing improvements to its system and in further refining its complaints process.

In particular, it was observed that there was a low participation rate amongst Indigenous prisoners using the grievance process. Information about the literacy and numeracy skills of prisoners at Broome indicated that a number of prisoners would have difficulty accessing the written based system. A number of suggestions to overcome this accessibility barrier were made to the Department. It was also suggested that the Department consider renaming the grievance system as the term may not be contextual to the Indigenous culture. For example, Indigenous prisoners believed grievances were related to grieving for deceased relatives. Suggestions were also made about the timeliness and accountability framework for dealing with grievances.

#### Complaints Management Processes in the Department of Education and Training

In November 2007, the Ombudsman published the *Progress Report on the Implementation of the Ombudsman's Recommendations by the Department of Education and Training*. This followed an own motion investigation in response to a number of complaints about the Department's approach to complaints management. The report of the investigation, published in November 2006, identified a number of systemic issues and five recommendations were made.

The Progress Report noted that the Department had made positive progress towards improving its complaints management processes and has commenced a comprehensive reform of its complaints



handling processes that will involve changes to policies, procedures and practices. The Department has made a commitment to fully implement the recommendations and report back to the Ombudsman by the end of September 2008. The Ombudsman's office will review the Department's progress in implementing changes to its complaints management process during the 2008-09 year.

## Assistance, Education and Training

Improvements to public administration can be achieved through assistance, education and training programs. The office provides high level strategic advice to public authorities on their administrative practices.

### Assisting Public Authorities to Develop Internal Complaint Handling Systems

During the financial year, Ombudsman staff worked with two public authorities that are in the process of improving their complaint handling systems. These were the Department of Corrective Services and the Department for Child Protection.

The work with the Department of Corrective Services arose following two investigations initiated by the Ombudsman in 2006 and 2007 into the Department's prisoner complaints system (grievance system) and a recommendation in the report *Inquiry into the Management of Offenders in Custody and in the Community*, by the Hon Denis Mahoney AO QC in November 2005. The Ombudsman's office monitored and supported the Department in the development of its new complaints handling system (ACCESS) to improve the accessibility, efficiency, accountability and responsiveness of the system for prisoners, including Indigenous prisoners. The new complaints management system for prisoners has been operational since January 2008.

Given the significant number of enquiries and complaints made to the Ombudsman's office by prisoners, consideration will be given to a further review of complaint handling services in the Department after the new system has been operational for a reasonable period.

The work with the Department for Child Protection arose following a recommendation in the independent review of the former Department for Community Development (*Review of the Department for Community Development*, Prudence Ford, January 2007). Here, the Ombudsman's office monitored and supported the development of a new Three Tier Complaints Management System by the new department. The Department for Child Protection's new complaints management system has been operational since March 2008.

The Ombudsman joined with the Department of Child Protection and the Corruption and Crime Commission to provide a seminar to the new Executive and senior managers of the department on complaints handling and the new Department for Child Protection complaints management system and the role of the Ombudsman and the Corruption and Crime Commission.

The Ombudsman also participated in the production of a DVD based on this seminar to be used in the training and development of the department's staff across the State.

In each of these initiatives, Ombudsman staff have provided comment on complaints systems development at a broad strategic level, rather than by detailed input into policies and procedures. However, it has also been important to consider the interface between these new Department

systems for internal complaint handling and the Ombudsman's management of complaints and enquiries to the Ombudsman's office about both Departments.

Monitoring and review of the day-to-day interface between the Ombudsman's complaint teams and each Department is ongoing.

New working arrangements have been developed between the Ombudsman's office and the Department of Corrective Services to ensure the effective and timely management of enquiries and complaints made to the Ombudsman. The Ombudsman's office assisted the Department in developing a telephone script to assist prisoners using the prisoner complaints telephone hotline to the Ombudsman if they did not wish to use ACCESS. The office is committed to working cooperatively with the Department and maintaining its relationship with the Department's Complaints Administration Unit in relation to the progress of ACCESS.

A working arrangement was negotiated and agreed between the Director General of the Department for Child Protection and the Ombudsman to ensure the effectiveness and efficiency of responses to enquiries and complaints made to the Ombudsman about the Department.

### Prison Officer Training

The Ombudsman's office continued to build on its initiative of training prison officers by providing awareness sessions to all new trainee prison officers as part of their induction training. Staff talked to the trainees about the processes for dealing with prisoner complaints and outlined the sort of grievances that should be capable of being resolved at the local prison level.

## Prison Inspections

In 2007-08, Ombudsman staff visited Casuarina Prison and Rangeview Remand Centre in conjunction with inspections by the Office of the Inspector of Custodial Services.

The focus of the Casuarina inspection was the effectiveness of the prisoner grievance process and confidential mail system. Ombudsman staff met with peer support prisoners and with staff who process grievances. The inspection report on these systems included a number of suggestions for improvement, which were accepted.

Rangeview Remand Centre caters for juvenile male and female detainees from all areas of the State. This was the Ombudsman's first inspection of Rangeview, and the focus was on the internal complaints handling procedures, confidential mail system, and the detainees' knowledge of external avenues of complaint, such as the Ombudsman.

In addition to the inspection of Rangeview, the Ombudsman's office was involved throughout the year in inter-agency meetings to discuss the growing juvenile remand population.

The detainees at Rangeview appeared to be generally satisfied with their treatment and they do not appear to use the external complaint mechanisms very often (perhaps because the average length of stay is 17 days).

The report on the Rangeview inspection included a number of suggestions for improvement. The Department of Corrective Services supported all of the suggestions, with the majority implemented

across both juvenile custodial facilities - Rangeview Remand Centre and Banksia Hill Detention Centre - by February 2008. Among other things, the suggestions will result in improved access to the Ombudsman's office for young people in custody. The Ombudsman's office will continue to work collaboratively with the Office of the Inspector of Custodial Services in dealing with prison matters.

## Administrative Improvement Team

Following a strategic planning exercise in 2007 and implementation of a new structure in March 2008, a new administrative improvement team was established to enable the office to take a stronger and more strategic approach to improving public administration at the systemic level. A new Assistant Ombudsman joined the office in June 2008 to lead the team that will have responsibility for activities designed to improve decision-making and practices in public authorities under the Ombudsman's jurisdiction. This may include:

- major investigations initiated by the Ombudsman;
- provision of advice to public authorities;
- audits of public authority practices; and
- the development of resource materials whose primary purpose is to improve administration.

The team will also have responsibility for monitoring compliance by the Corruption and Crime Commission and Western Australia Police with telecommunications intercept legislation.

Strategic planning to identify key issues and themes for improving administration across the public sector will be undertaken early in the 2008-09 financial year. A research paper outlining the approaches used by Ombudsmen in other States in Australia and the Commonwealth Ombudsman has been produced to assist this strategic planning exercise.

## Resource Material

The Ombudsman's office publishes a range of brochures, guides and fact sheets to assist public authorities improve their administrative practices and procedures. These cover procedural fairness, good record keeping, guidelines for conducting administrative investigations and providing redress. Publications can be downloaded from the office's website at [www.ombudsman.wa.gov.au](http://www.ombudsman.wa.gov.au) or requests for hard copy publications can be made to the office. A full list of current publications is listed in Appendix 2.

## Other Functions of the Ombudsman

### Public Interest Disclosures

The *Public Interest Disclosure Act 2003* identifies the Ombudsman as one of the authorities to whom an appropriate disclosure of 'public interest information' may be made. Disclosures are handled by the office's nominated Public Interest Disclosure officer and each matter is assessed to determine whether it is an appropriate disclosure that requires investigation, having regard to relevant guidelines published by the Office of the Public Sector Standards Commissioner and the provisions of the *Public Interest Disclosure Act 2003*.

The *Public Interest Disclosure Act 2003* does not grant any additional or investigative powers to an authority receiving a disclosure and investigations are conducted using the powers available under the *Parliamentary Commissioner Act 1971*. However, access to the files relating to PID investigations within the office is restricted because the *Public Interest Disclosure Act 2003* imposes stricter confidentiality provisions and provides specific penalties for the release of information that might identify the discloser or any persons who may be the subject of a disclosure.

During the year, the Ombudsman's office completed the investigation of one disclosure carried over from the previous year and received one other. As required under the *Public Interest Disclosure Act 2003* the office reported the number of disclosures received and the outcome of any investigation to the Office of the Public Sector Standards Commissioner. Outcomes resulting in changes to agency practices and procedures are also included in the office's annual report statistics without identifying that they were the result of a particular public interest disclosure.

### Audits of Telecommunication Intercepts

The *Telecommunications (Interception) Western Australia Act 1996*, the *Telecommunications (Interception) Western Australia Regulations 1996*, the *Commonwealth Telecommunications (Interception) Act 1979* and the *Corruption and Crime Commission Act 2003* permit certain designated 'eligible authorities' to carry out strictly regulated telecommunication interceptions. In this State, the Western Australia Police and the Corruption and Crime Commission are the eligible authorities.

Under the Regulations, the Ombudsman is appointed as the Principal Inspector to audit the interception activities of the Western Australia Police and the Corruption and Crime Commission to ensure they are meeting their legislative requirements and carrying out the interceptions lawfully. The Ombudsman must inspect the telecommunications interception records of the Western Australia Police and the Corruption and Crime Commission at least twice a year and then report on the outcome to the relevant ministers within three months of the end of the financial year. The report on the Western Australia Police is sent to the Commissioner of Police and the State and Federal Ministers for Police and the report on the Corruption and Crime Commission is provided to the State Attorney General, the Federal Attorney General and the Corruption and Crime Commissioner.

Ombudsman staff undertook 10 inspections for warrants issued during 2007-08. 301 warrants were examined in 2007-08.

## State Records Commission

The Ombudsman is a member of the State Records Commission, which was established in July 2001 under the *State Records Act 2000*. The Commission monitors the operation of, and compliance with, the legislation, monitors record keeping compliance by government bodies and makes enquiries into alleged breaches of the legislation. The Commission reports direct to Parliament and submits a separate annual report to Parliament.

The Ombudsman participated in five meetings of the Commission during the financial year.

## Terrorism

The Ombudsman can receive complaints from a person detained under the *Terrorism (Preventative Detention) Act 2006*, about administrative matters connected with his or her detention. There were no complaints received in this category during the year.

## Indian Ocean Territories

Under the service delivery arrangement between the State Ombudsman and the Commonwealth Government, the Ombudsman handles complaints from residents of the Indian Ocean Territories (Christmas and Cocos (Keeling) Islands) about public authorities in the Ombudsman's jurisdiction that operate in the Territories at the Commonwealth's request. The Ombudsman handled one complaint during 2007-08.

## Energy Ombudsman Function

The functions of the Energy Ombudsman are in addition to, and separate from, the Western Australian Ombudsman's role. The *Parliamentary Commissioner Act 1971* was amended in 2003 and 2004 to enable the Western Australian Ombudsman to serve in this role and allow staff of the office to provide assistance in dealing with complaints about gas and electricity providers. The governing body of the Energy Ombudsman is Energy Industry Ombudsman (Western Australia) Limited, which provides funds for the delivery of Energy Ombudsman services under an agreement with the Ombudsman.

During the reporting period, 140 gas-related complaints were received and 95 percent were resolved within 10 business days. A total of 953 electricity complaints were received, 96 per cent of which were also resolved within 10 business days.

Ombudsman staff provide support to the Energy Ombudsman team by assisting with complex cases and case reviews. In 2007-08, staff also contributed to strategic Energy Ombudsman projects including:

- a review of the Energy Ombudsman budget for 2008-09; and
- initial research for the statutory review of the Energy Ombudsman schemes, which is due to be completed in the second half of 2008.

Further details are available in the Energy Ombudsman Annual Report 2007-08.

## Additional Functions

### Transfer of the Child Death Review Function to the Ombudsman

The independent review of the former Department for Community Development, undertaken by Prudence Ford in 2007 (*Review of the Department for Community Development*, Prudence Ford, January 2007), made three recommendations relating to the Ombudsman:

- that the Department develop a three tier complaints process, in conjunction with the Ombudsman and the Corruption and Crime Commission (Recommendation 30);
- that the child death review function be transferred from the ministerial Child Death Review Committee to the Ombudsman (Recommendation 31); and
- that a small specialist investigative unit be established within the Ombudsman's office to investigate complaints and examine cases of child deaths involving a number of agencies (Recommendation 32).

The recommendations were endorsed by the State Government and funding has been approved for 2008-09.

Legislative change is required to enable the transfer of the child death review function. Amendments to the *Parliamentary Commissioner Act 1971* and the *Children and Community Services Act 2004* are being drafted that will need to be considered and passed by the Western Australian Parliament before the transfer can take place. Once the transfer occurs, the Ombudsman will be responsible for reviewing the deaths of children known to the Department for Child Protection, where they meet a range of review criteria.

### Transfer of the Water Service Complaints Function to the Ombudsman

As part of the State Government's water reform program, it is proposed that the water service customer complaints function currently undertaken by the Department of Water be transferred to the Ombudsman's office. It is expected that the Energy Ombudsman role will be expanded to cover this function.

A senior officer working group made up of representatives from the Department of Water and the Ombudsman's office was established in September 2007 to progress the transfer of this function. Legislative change will be needed to enable the transfer to occur. Ombudsman staff have provided high level advice through the working group to assist preparation of the necessary legislation.



## Communication and Access

In 2007-08, the office continued exploring ways to raise awareness of the role of the Ombudsman's office in the Western Australian community. With the appointment of a dedicated Communications Manager, a review was conducted of existing public relations and communications materials and activities.

Development of a draft communications strategy commenced with a view to continuing to raise the profile of the Ombudsman amongst stakeholder groups and promote accessibility to the Ombudsman.

Initial planning has identified some of the key messages the office is seeking to promote, the key stakeholders involved and includes a range of activities from rebranding to media initiatives, conferences and regular meetings with key stakeholders.

The communications strategy will be finalised in the 2008-09 financial year in line with the outcomes of the office's strategic planning initiatives. The strategy will be reviewed regularly for continuous improvement and relevance to the current office initiatives.

Initiatives to enhance communications and access undertaken during 2007-08 are detailed below.

### Office Branding

During the year the office undertook a rebranding exercise. A new Style Guide has been developed that defines the format and design of all Ombudsman Western Australia documentation including office stationery, business cards and publications. The new style guide will be implemented across the office in 2008-09. The new style will also flow through to the office's website and internal intranet site designs.

### Corporate Newsletter

A quarterly corporate newsletter, *Western Australian Ombudsman*, commenced this year with the first edition issued in March 2008. The newsletter included articles on public sector responses to Ombudsman recommendations; a message from the Ombudsman; office achievements; case studies; helpful information about complaints management processes and resources; the work of enquiry officers, which is to be part of a series of team member work profiles; and an Ombudsman staff member personal profile.

The newsletter is published on the Ombudsman's website and an introductory email with a link to the newsletter is sent directly to all public authorities.

### Ombudsman Speeches

An important way for the office to communicate awareness of its role is through presentations at conferences. This year, the Ombudsman gave speeches to:

- the Australian and New Zealand Ombudsman Association;
- the Australian Institute of Administrative Law;

- the Public Sector Management program graduates;
- the Legal Counsel Conference 2008;
- the Ethical Leadership and Governance in the Public Sector Conference; and
- the Integrity Coordinating Group Forum.

### **'Ask the Ombudsman' Radio Appearances on 6PR**

A new initiative this year was the introduction of regular 'Ask the Ombudsman' slots on the 6PR Nightline program. It is anticipated the Ombudsman will appear on the program approximately four to six times a year and listeners who have a query for the Ombudsman's office will email or call in and have an opportunity to discuss their complaints with the Ombudsman on air.

### **Website Development**

A significant communications project this year was the redesign of the Ombudsman's website. Special consideration was given to international web standards and best practice recommendations and the redesigned website will be compliant with the W3C international web standards.

Due to the extensive work required, the project will continue into 2008-09 with review and revision of all content, development of an improved navigational tool and a design that incorporates the office's updated branding.

The new website will help those who want to make a complaint to access the relevant information more easily. The redesign will also group resources and publications into one location and includes a new page for media. Further additions to the website will include frequently asked questions and case studies.

The redesigned website will be online by the end of 2008.

### **Publications**

The Ombudsman's office publishes a range of brochures, guides and fact sheets to assist members of the public and public authorities in understanding the services the office delivers. Publications can be downloaded from the office's website at [www.ombudsman.wa.gov.au](http://www.ombudsman.wa.gov.au) or requests for hard copy publications can be made to the office. A full list of current publications is listed in Appendix 2.

During 2007-08, the Ombudsman's office revised and reissued the 'Ombudsman Western Australia' brochure, which details its services and complaints management process. The brochure was also redesigned in line with the new office branding.

### **Information DVD for Migrants**

The Ombudsman's office participated in the production of an informative DVD to be provided to all new arrivals into Australia. The 30 minute DVD is an initiative of the Federal Attorney General and the Public Purposes Trust and will be translated into 12 languages. It provides information about



various aspects of Australian law, ranging from interaction with government agencies to domestic violence. The DVD provided the Ombudsman's office with an excellent opportunity to increase migrant awareness of the Ombudsman's role and services.

## WACOSS Conference

In May 2008, the Ombudsman's office sponsored a booth at the WACOSS Conference 2008 in order to raise the profile of the Western Australian Ombudsman and the Energy Ombudsman with various stakeholders. Brochures and fact sheets detailing the office's services and complaints management processes were distributed at the event.

## Accessibility for People from Diverse Backgrounds

The Ombudsman's office is committed to ensuring that it is accessible to people from diverse backgrounds. The office strives to publish all documents in plain English. Publications are available in alternative formats on request and this information is provided in all new publications. Information published on the office website can be viewed and printed in alternative formats and TTY phone access is available for people with a hearing impairment.

Where necessary, the complaint process is modified to meet the needs of the particular person. This includes meeting with people at a local venue where it is difficult for them to attend the office, and modifying communication strategies, for example by using a translator or interpreter service where required.

Ensuring the office is accessible to Indigenous people is a key priority for the office. The office will continue to take a proactive approach to identify strategies to raise its awareness amongst Indigenous people and regional Western Australians.

## Community Awareness

During the year, the Ombudsman's office continued to respond to requests from agencies, service clubs, associations and professional bodies to present papers, speak to groups and participate in seminars and conferences.

In 2007-08, representatives from the Ombudsman's office met with people from a variety of community groups as follows:

- In collaboration with the Commonwealth Ombudsman, gave a presentation to community members at Boddington Old School;
- Presented 'An Introduction to the Ombudsman' to various community groups including a Red Cross Carer Support Group in Warwick, the Country High Schools Hostels Authority, Murdoch University Parliamentary Internship students, and Probus Clubs across the Perth metropolitan area;
- Met with delegates from the Ministry of Public Security, People's Republic of China to discuss handling of prisoner complaints; and

- Met with a professor from the University of Liverpool as part of a research project on Ombudsmen and administrative justice models.

## Strategic and Corporate Initiatives

### Strategic Partnerships

#### Integrity Coordinating Group

The Integrity Coordinating Group is a cross-agency initiative established in 2005 by the Ombudsman, Commissioner for Public Sector Standards, Corruption and Crime Commissioner and Auditor General.

The Integrity Coordinating Group fosters greater policy coherence and operational coordination amongst these core integrity bodies, with the aim of strengthening integrity across the sector. Its Terms of Reference include:

- fostering cooperation between public sector integrity bodies;
- encouraging coordinated research, evaluation and monitoring of the implementation of integrity and accountability;
- fostering operational cooperation and consistency in communication, education and support in public sector organisations;
- providing ongoing advice to government and the public through existing mechanisms on institutional and law reforms needed to maintain and develop integrity in the Western Australian public sector; and
- sponsoring comparative research, evaluation and policy discussion regarding integrity mechanisms in Western Australia and other jurisdictions, nationally and internationally.

The following initiatives of the Integrity Coordinating Group were undertaken to promote integrity in Western Australian public authorities:

- In August 2007, the Integrity Coordinating Group hosted an Integrity Forum on the topic of *Integrity in the Western Australian Public Sector – Current Challenges and Future Directions*. Each of the Integrity Coordinating Group members provided their observations on integrity issues for the public sector and gave an overview of the current priorities and directions for their offices. The Forum was a success, with approximately 160 attendees from 85 different public authorities. Approximately one quarter of those attending were Chief Executive Officers;
- The Integrity Coordinating Group travelled to Bunbury in October 2007 to raise awareness of integrity in Government and the work of the group. This regional visit was hosted by the South West Development Commission;
- The majority of Integrity Coordinating Group member agencies supported Griffith University's project, *Whistling While They Work: Enhancing the Theory and Practice of Internal Witness Management in the Australian Public Sector*. Along with other government agencies and oversight bodies with a shared interest in reviewing Australian laws, the participating Integrity

Coordinating Group member agencies joined this national research project to review Australian public disclosure law and practice;

- The publication *Taking Action on Integrity Issues* was revised during the year to reflect more accurately the different roles and responsibilities of the individual members of the Integrity Coordinating Group, to enable public sector staff to determine more easily where to go for advice and/or assistance with integrity issues; and
- The Ombudsman's office is taking the lead in organising an Integrity Coordinating Group Forum on integrity in Government, planned for October 2008. It is proposed that actors will role-play scenarios relating to integrity issues for the audience, with senior staff from each of the Integrity Coordinating Group member agencies forming a discussion panel to talk through the issues. The aim of the Forum is to provide senior public sector employees with examples of integrity issues and the processes Integrity Coordinating Group member agencies go through to investigate and resolve such issues.

### Collaboration with Other Ombudsmen

#### Indonesian Program

In 2005, the Western Australian Ombudsman entered into a joint program with the Commonwealth and New South Wales Ombudsmen, and the National Ombudsman Commission of Indonesia, to strengthen Ombudsman services in Indonesia. The program, which is known as the Indonesian-Australian Ombudsman Linkages and Strengthening Program, is funded by AusAID under the Government Partnerships Fund and was initiated under the five-year Australia Indonesia Partnership for Reconstruction and Redevelopment program established after the 2004 tsunami.

The goal of the program is to provide greater access, across a larger portion of Indonesia, to more effective and sustainable Ombudsman and other complaint management services. Program activities help to strengthen the links between Ombudsman offices in Indonesia and Australia and strengthen the complaint handling and investigation capacity of staff.

The Ombudsman's office supports the program through staff placements in Indonesia and Australia. There were two placement activities during 2007-08. The first involved an Ombudsman staff member from Western Australia visiting Jakarta, Kupang and Solo in Indonesia. The officer met with National Ombudsman Commission of Indonesia staff and staff from other complaint bodies and made a number of presentations to stakeholders and the Kupang media about the Ombudsman Linkages and Strengthening Program. The second placement involved two officers from the National Ombudsman Commission of Indonesia visiting Perth, where they worked closely with Ombudsman staff over a two-week period. During the placement, the National Ombudsman Commission of Indonesia staff met with the former Consul of the Republic of Indonesia, Dr Aloysius Lele Madja, and his staff.

Placement activities have been very successful. In part, this is because Ombudsman practitioners in the two countries work closely together, sharing and exchanging information to refine their complaint handling and investigative skills. The Ombudsman has established strong links with the National Ombudsman Commission of Indonesia through the placement activities and the office will continue to support the program in the 2008-09 financial year.

## **Dealing with Complainants whose Behaviour is Challenging**

Since 2006, the Western Australian Ombudsman's office has been part of a national research project led by the New South Wales Ombudsman to develop better strategies for managing complainants whose behaviour is challenging. The aim is to develop a practice manual for staff to assist them to deal with such people. In November 2007, staff from the New South Wales Ombudsman visited Perth to conduct follow-up training with Western Australian Ombudsman staff on dealing with unreasonable complainants.

The project concluded in April 2008 and the New South Wales Ombudsman is reviewing feedback from stakeholders around the country as to the manual's effectiveness and usefulness.

The Western Australian Ombudsman's office has begun a three-month trial of the manual with several Western Australian public authorities. These public authorities have been invited to provide feedback on the manual as a tool to assist them to deal with customers who may be challenging. If feedback indicates it is useful, consideration will be given to releasing the manual to all Western Australian public authorities.

## **Organisational Development and Improvement**

### **Strategic Planning**

Four key strategic priorities were identified following a staff strategic planning day in September 2007 and consultation with key stakeholders. These were:

- continue to build on the improvements in timeliness and efficiency of complaint resolution that have been achieved over the past few years;
- strengthen the focus on administrative improvement;
- plan for new and enhanced functionality; and
- enhance strategic and corporate services to maximise opportunities and minimise risk.

A number of outcomes have been achieved in each area:

- An improved structure that included the establishment of new Administrative Improvement and Strategic and Corporate Services teams;
- Initiatives to further improve timeliness and to streamline the office's complaint-handling and investigations; and
- In the area of new and enhanced functionality, significant progress has been made to transfer the child death review jurisdiction to the Ombudsman's office.

### **Improved Structure and Accommodation**

Changes were made to the structure in November 2007 to support achievement of key strategic priorities for the office and to assist in planning for new functions. Staff input was a crucial part of the change process and their feedback assisted management to develop a final structure that was implemented in March 2008.

The new structure builds on the strengths in complaint investigation and resolution of the former structure and also enables the office to achieve a stronger focus on improving public administration and strategic services.

Four key business areas were established in the new organisational structure:

- the Executive Team;
- the Access and Resolution Team and the Investigation and Resolution Team;
- the Administrative Improvement Team;
- the Strategic and Corporate Services Team.

The office accommodation was also remodelled to accommodate staff when the child death review function is transferred to the office and to provide space for staff under the new organisational structure. The work, which was completed at the end of March 2008, involved refitting of some of the existing work areas and provision of improved staff amenities.

### Implementing a New Case Management System

As part of reviewing and refining the office's operational processes and management systems to improve the efficiency, timeliness and quality of investigations, a new case management system, called RESOLVE, was implemented in April 2008. RESOLVE is presently used by the majority of other State and Commonwealth Ombudsmen and was successfully introduced by the Energy Ombudsman in the first half of 2007 to manage its enquiries and complaints.

The system integrates the former complaints management system with a separate data base that supports the office's enquiry service.

RESOLVE has significant benefits over other previous systems in terms of greater flexibility, ease of use, improved searching facilities and better management of information. The new system will assist the office to further improve on timeliness and effectiveness in complaint and investigation monitoring through improved case management capabilities.

Development of the RESOLVE system took six months, including a period of system testing and staff training before implementation.

### Review of the Investigations Operations Manual

The office's *Operations Manual* provides staff with a quick answer to various issues that arise in the course of their work. It outlines the functions of the office, the processes to be followed in fulfilling these functions, and the legal and policy considerations that are relevant to the functions. In addition, it outlines service standards and responsibilities to complainants and public authorities.

In 2007, a major review of the manual occurred to bring it in line with changes in the role of the office since it was written in 1999. The new manual became operational in September 2007 and is available in electronic form for staff on the intranet. Hyperlinks provide quick access to external resources such as the web pages of other public authorities and providers of legal information, as well as for cross referencing within the manual. The review formed part of the broader strategic

goal of streamlining the office's processes to improve the efficiency, timeliness and quality of investigations by providing staff with up to date information to assist them to undertake their work.

### **Transition to the Office of Shared Services**

In the past, the Ombudsman's office has been provided with financial management and human resource management services by the Department of the Premier and Cabinet. In December 2007, the financial management services were transferred to the Office of Shared Services and it is anticipated that human resource management services will be transferred next year. The Business Services Team has been restructured to accommodate the transition and changes to financial management processes as a result of the transition.

## Significant Issues and Trends

A number of current and emerging trends impacting on the Ombudsman's office were outlined in the 2007-08 budget papers. In this section of the report, information is provided which describes the approach taken by the office to address these challenges and a range of other operational initiatives for the next reporting period.

### Informal Resolution

As part of reviewing and refining operational processes and management systems to improve the efficiency, timeliness and quality of the office's complaint handling, greater emphasis was placed on dealing with more simple complaints through informal mechanisms, where appropriate.

This approach often eliminates the need for formal investigations, enabling the office to focus more resources on dealing with complex matters and systemic issues. Informal resolution has benefits for a wide variety of public authorities as it eliminates the need for them to produce lengthy reports. The net outcome is resource savings across the public sector. There is also a benefit for complainants through speedy resolution of simple matters.

### Increasing Complexity

While there has been increased early and informal resolution in a number of cases, there has also been a marked increase in the complexity of matters investigated by the Ombudsman's office in recent years. Increased complexity of investigations places greater resource demands on the office and makes it more difficult to finalise complaints in a timely and effective manner.

The new screening procedures introduced under the new structure in March 2008 result in complex matters being identified upfront, allowing appropriate resources to be assigned at an early stage. Staff have access to a checklist to make an assessment of complexity which assists in the case allocation process. The new complaints management system introduced in April 2008 assists the office to monitor complex cases more closely to improve management of such matters.

### Systemic Focus

A key function of the Ombudsman is to improve public administration. To provide this service to the Western Australian Parliament and Western Australians, there is a need to focus resources on activities which will have a benefit across the public sector. This means that, in addition to resolving complaints for the individual complainant, the Ombudsman's office has an increasing focus on working proactively with the public authorities to improve public administration. Initiatives include undertaking major investigations of systemic issues, developing resource materials for use by public authorities and providing support to them on best practice administration and complaints management.

A new Administrative Improvement Team was established during the year which will be responsible for leading, developing and implementing strategies to improve public administration across the public sector, including responsibility for major investigations. The establishment of this



unit will enable the office to continue to take a proactive role in addressing systemic problems and promoting good administrative practices across the public sector.

## Improving Accessibility

During the year, the office began a project to redesign its website to make its services more accessible to customers. This will include improving the online complaint services to make it easier for people wishing to lodge a complaint about a public authority to access information. The redesigned website will also enable easier access to publications. This project will continue in 2008-09, with the redesigned website to go live by the end of 2008.

Over recent years, the office has identified an ongoing need for its services to be accessible to all citizens, particularly Indigenous and regional Western Australians. Analysis of complaint trends in 2007 indicated that Indigenous and regional Western Australians were under-utilising the Ombudsman's services.

During a strategic planning exercise in 2007, staff identified that Indigenous people and regional Western Australians are significant consumers of services from a range of local government, health and other State Government services, particularly in remote and rural communities. Staff recognised the need to strive to be more responsive and accessible to these people.

Approved funding for the transfer of the child death review function to the Ombudsman includes provision for an Indigenous Liaison Officer to work in the proposed child death review unit.

The office will continue to take a proactive approach to identify strategies to raise its awareness amongst Indigenous people and regional Western Australians.



## Disclosures and Legal Compliance

### Independent Audit Opinion for Performance Indicators and Financial Statements



#### Auditor General

##### **INDEPENDENT AUDIT OPINION**

**To the Parliament of Western Australia**

##### **PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008**

I have audited the accounts, financial statements, controls and key performance indicators of the Parliamentary Commissioner for Administrative Investigations.

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity, Cash Flow Statement, Schedule of Income and Expenses by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

##### **Parliamentary Commissioner's Responsibility for the Financial Statements and Key Performance Indicators**

The Parliamentary Commissioner is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

##### **Summary of my Role**

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

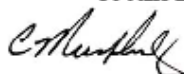
An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

**Parliamentary Commissioner for Administrative Investigations  
Financial Statements and Key Performance Indicators for the year ended 30 June 2008**

**Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Parliamentary Commissioner for Administrative Investigations at 30 June 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Parliamentary Commissioner provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Parliamentary Commissioner are relevant and appropriate to help users assess the Parliamentary Commissioner's performance and fairly represent the indicated performance for the year ended 30 June 2008.



COLIN MURPHY  
AUDITOR GENERAL  
18 September 2008

## Certification of Key Performance Indicators

For the year ended 30 June 2008



I hereby certify that the performance indicators are based on proper records, are relevant and are appropriate for assisting users to assess performance and accurately represent the performance of the Parliamentary Commissioner for Administrative Investigations for the financial year ended 30 June 2008.

A handwritten signature in black ink, appearing to be "Chris Field".

Chris Field  
Accounting Officer

15 September 2008

## Certification of Financial Statements

For the year ended 30 June 2008



The accompanying financial statements of the Parliamentary Commissioner for Administrative Investigations have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2008 and the financial position as at 30 June 2008.

At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.

A handwritten signature in black ink, appearing to read "Julie Roberts".

Julie Roberts  
A/Chief Finance Officer

15 September 2008

A handwritten signature in black ink, appearing to read "Chris Field".

Chris Field  
Accountable Authority

15 September 2008

## Financial Statements

### Income Statement

For the year ended 30 June 2008

	Note	2007-08 \$	2006-07 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	7	3,119,225	3,778,948
Supplies and services	8	658,700	514,777
Depreciation and amortisation expense	9	116,619	141,207
Accommodation expenses	10	466,339	268,673
Capital user charge	11	-	46,177
Other expenses	12	29,581	24,817
<b>Total cost of services</b>		<b>4,390,464</b>	<b>4,774,599</b>
<b>Income</b>			
<b>Revenue</b>			
Users charges and fees	13	671,690	725,075
Commonwealth grants and contributions		-	14,858
<b>Total revenue</b>		<b>671,690</b>	<b>739,933</b>
<b>Total income other than income from State Government</b>		<b>671,690</b>	<b>739,933</b>
<b>NET COST OF SERVICES</b>		<b>3,718,774</b>	<b>4,034,666</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
Service Appropriation	14	3,727,000	2,988,000
Other grant funding			
Resources received free of charge		63,120	75,988
Liabilities assumed by the Treasurer		182,386	922,885
<b>Total income from State Government</b>		<b>3,972,506</b>	<b>3,986,873</b>
<b>(DEFICIT)/SURPLUS FOR THE PERIOD</b>		<b>253,732</b>	<b>(47,793)</b>

This income statement should be read in conjunction with the Notes to Financial Statements.

## Balance Sheet

For the year ended 30 June 2008

		2007-08	2006-07
	Note	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	24	594,419	526,160
Receivables	16	335,725	196,431
Amounts receivable for services	17	143,000	106,000
<b>Total Current Assets</b>		<u>1,073,144</u>	<u>828,591</u>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	15	30,731	17,126
Property, plant and equipment	18	667,594	249,871
Intangible assets	19	157,853	91,920
Amounts receivable for services	17	600,000	659,000
<b>Total Non-Current Assets</b>		<u>1,456,178</u>	<u>1,017,917</u>
<b>TOTAL ASSETS</b>		<u><u>2,529,322</u></u>	<u><u>1,846,508</u></u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	21	376,819	53,111
Provisions	22	638,453	568,934
<b>Total Current Liabilities</b>		<u>1,015,272</u>	<u>622,045</u>
<b>Non-Current Liabilities</b>			
Provisions	22	175,980	140,125
<b>Total Non-Current Liabilities</b>		<u>175,980</u>	<u>140,125</u>
<b>TOTAL LIABILITIES</b>		<u><u>1,191,252</u></u>	<u><u>762,170</u></u>
<b>Net Assets</b>		<u>1,338,070</u>	<u>1,084,338</u>
<b>EQUITY</b>	23		
Contributed equity		732,000	732,000
Reserves		-	-
Accumulated surplus		606,070	352,338
<b>TOTAL EQUITY</b>		<u>1,338,070</u>	<u>1,084,338</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>2,529,322</u></u>	<u><u>1,846,508</u></u>

This Balance Sheet should be read in conjunction with the Notes to Financial Statements.

## Statement of Changes in Equity

For year ended 30 June 2008

	Note	2007-08 \$	2006-07 \$
<b>Balance of equity at start of period</b>		1,084,338	1,206,063
<b>CONTRIBUTED EQUITY</b>	23		
Balance at start of period		732,000	732,000
Capital contribution		-	-
Balance at end of period		732,000	732,000
<b>RESERVES</b>	23		
<b>Asset Revaluation Reserve</b>			
Balance at start of period		-	5,117
Realised on asset disposal		-	(5,117)
Balance at end of period		-	-
<b>ACCUMULATED SURPLUS (RETAINED EARNINGS)</b>	23		
Balance at start of period		352,338	468,946
Restatement of opening balance due to change in accounting policy		-	(65,794)
		352,338	403,152
Restatement of opening balance due to correction of prior accounting period Financial Statement errors		-	(8,138)
		352,338	395,014
Realised portion of revaluation reserve on asset disposal		-	5,117
(Deficit)/Surplus for the period		253,732	(47,793)
Balance at end of period		606,070	352,338
<b>Balance of equity at end of period</b>		1,338,070	1,084,338

The Statement of Changes in Equity should be read in conjunction with the Notes to Financial Statements.

## Cash Flow Statement

For the year ended 30 June 2008

	Note	2007-08 \$	2006-07 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriations		3,346,000	2,702,000
Holding account drawdowns		403,000	107,000
<b>Net Cash provided by State Government</b>		<b>3,749,000</b>	<b>2,809,000</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(2,775,912)	(2,917,119)
Supplies and services		(511,220)	(443,599)
Capital User Charge		-	(46,177)
Accommodation		(511,933)	(265,685)
GST payments on purchases		(48,431)	(106,978)
GST payments to taxation authority		(40,089)	(49,290)
Other payments		(79,915)	(6,065)
<b>Receipts</b>			
User Charges and Fees		739,084	564,632
GST receipts on sales		26,740	55,904
GST receipts from taxation authority		63,798	76,748
<b>Net cash used in operating activities</b>	24	<b>(3,137,878)</b>	<b>(3,137,629)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of non-current physical assets		(529,258)	(172,165)
<b>Net cash used in investing activities</b>		<b>(529,258)</b>	<b>(172,165)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>81,864</b>	<b>(500,794)</b>
Cash and cash equivalents at the beginning of period		543,286	1,044,080
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	24	<b>625,150</b>	<b>543,286</b>

The Cash Flow Statement should be read in conjunction with the Notes to Financial Statements.



## Summary of Consolidated Fund Appropriations and Income Estimates

For the year ended 30 June 2008

	2008 Estimate \$	2008 Actual \$	Variance \$	2008 Actual \$	2007 Actual \$	Variance \$
<b>DELIVERY OF SERVICES</b>						
Item 4 Net amount appropriated to deliver services	2,933,000	3,251,000	318,000	3,251,000	2,581,000	670,000
Amount authorised by other statutes						
Parliamentary Commissioner Act 1971	407,000	476,000	69,000	476,000	407,000	69,000
<b>Total appropriations provided to deliver services</b>	<b>3,340,000</b>	<b>3,727,000</b>	<b>387,000</b>	<b>3,727,000</b>	<b>2,988,000</b>	<b>739,000</b>
<b>CAPITAL</b>						
Capital Contributions	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>3,340,000</b>	<b>3,727,000</b>	<b>387,000</b>	<b>3,727,000</b>	<b>2,988,000</b>	<b>739,000</b>
<b>Details Of Expenses by Service</b>						
Other Public Sector Organisations	3,847,000	4,212,437	365,437	4,212,437	4,734,794	(522,357)
Telecommunications Interception Audit	54,000	178,027	124,027	178,027	39,805	138,222
Total Cost of Services	3,901,000	4,390,464	489,464	4,390,464	4,774,599	(384,135)
Less total revenues from ordinary activities	(518,000)	(671,690)	(153,690)	(671,690)	(739,933)	68,243
Net Cost of Services	3,383,000	3,718,774	335,774	3,718,774	4,034,666	(315,892)
Adjustments	(43,000)	8,226	51,226	8,226	(1,046,666)	1,054,892
<b>Total appropriations provided to deliver services</b>	<b>3,340,000</b>	<b>3,727,000</b>	<b>387,000</b>	<b>3,727,000</b>	<b>2,988,000</b>	<b>739,000</b>
<b>Capital Expenditure</b>						
Purchase of non-current physical assets	106,000	403,000	297,000	403,000	184,461	218,539
Adjustment for other funding sources	(106,000)	(403,000)	(297,000)	(403,000)	(184,461)	(218,539)
<b>Capital Contribution (appropriation)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Note 28 "Explanatory statement" provides details of any significant variations between estimates and actual results for 2008 and between the actual results for 2007 and 2008.

## Schedule of Income and Expenses by Service

For the year ended 30 June 2008

	Other Public Sector Organisations		Telecommunication Interception Audit		Total	
	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense	2,941,292	3,740,648	177,934	38,300	3,119,226	3,778,948
Supplies and services	658,656	513,241	43	1,536	658,699	514,777
Depreciation and amortisation expense	116,619	141,207	-	-	116,619	141,207
Accommodation expenses	466,339	268,673	-	-	466,339	268,673
Capital User Charge	-	46,177	-	-	-	46,177
Other expenses	29,531	24,848	50	(31)	29,581	24,817
<b>Total cost of services</b>	<b>4,212,437</b>	<b>4,734,794</b>	<b>178,027</b>	<b>39,805</b>	<b>4,390,464</b>	<b>4,774,599</b>
<b>Income</b>						
Other revenue	671,690	725,075	-	-	671,690	725,075
Commonwealth grants and contributions	-	14,858	-	-	-	14,858
<b>Total income other than income from State Government</b>	<b>671,690</b>	<b>739,933</b>	<b>-</b>	<b>-</b>	<b>671,690</b>	<b>739,933</b>
<b>NET COST OF SERVICES</b>	<b>3,540,747</b>	<b>3,994,861</b>	<b>178,027</b>	<b>39,805</b>	<b>3,718,774</b>	<b>4,034,666</b>
<b>INCOME FROM STATE GOVERNMENT</b>						
Service appropriation	3,673,000	2,936,000	54,000	52,000	3,727,000	2,988,000
Resources received free of charge	63,120	74,468	-	1,520	63,120	75,988
Liabilities assumed by the Treasurer	182,386	922,885	-	-	182,386	922,885
<b>Total income from State Government</b>	<b>3,918,506</b>	<b>3,933,353</b>	<b>54,000</b>	<b>53,520</b>	<b>3,972,506</b>	<b>3,986,873</b>
<b>Surplus/(deficit) for the period</b>	<b>377,759</b>	<b>(61,508)</b>	<b>(124,027)</b>	<b>13,715</b>	<b>253,732</b>	<b>(47,793)</b>

The Schedule of Incomes and Expenses should be read in conjunction with the Notes to Financial Statements.

## Notes to the Financial Statements

### 1. Mission and funding

The mission of the Parliamentary Commissioner for Administrative Investigations (the Office) is “To assist the Parliament of Western Australia to be confident that the public sector of the State is accountable for, and is improving the standard of, administrative decision-making, practices and conduct”.

The Office is mainly funded by Parliamentary appropriation. The financial statements encompass all funds through which the Office controls resources to carry on its functions.

### 2. Australian Equivalents to International Financial Reporting Standards General

The Office's financial statements for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Office has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

#### Early adoption of standards

The Office cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 "Application of Australian Accounting Standards and Other Pronouncements". No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Office for the annual reporting period ended 30 June 2008.

### 3. Summary of significant accounting policies

#### (a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

## **(b) Basis of Preparation**

The financial statements have been prepared in accordance with Accounting Standard AAS 29 "Financial Reporting by Government Departments" on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

The judgements that have been made in the process of applying the Office's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 4 'Judgements made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at note 5 'Key sources of estimation uncertainty'.

## **(c) Reporting Entity**

The reporting entity comprises the Office.

## **(d) Contributed Equity**

UIG Interpretations 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by Treasurer's Instruction (TI) 955 "Contributions by Owners made to Wholly Owned Public Sector Entities" and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See note 23 'Equity'.

## **(e) Income**

### *Revenue recognition*

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

### *Rendering of Services*

Revenue is recognised upon the delivery of the service to the client or by reference to the stage of completion of the transaction.

### *Service Appropriations*

Service Appropriations are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Departments bank account or credited to the holding account held at Treasury. See note 14 'Income from State Government' for further detail.

### *Net Appropriation Determination*

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Office. In accordance with the determination specified in the 2007-2008 Budget Statements, the Office retained \$671,690 in 2008 (\$739,933 in 2007) from the following:

- Proceeds from fees and charges; and
- Other Office revenue.

### *Grants, donations, gifts and other non-reciprocal contributions*

Revenue is recognised at fair value when the Office obtains control over the assets comprising the contributions which is usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

### *Gains*

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

## **(f) Property, Plant and Equipment**

### *Capitalisation/Expensing of assets*

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

### *Initial recognition and measurement*

All items of property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

#### *Subsequent measurement*

After recognition as an asset, the Department uses the cost model for all other property, plant and equipment. All items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses.

#### *Derecognition*

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation reserve relating to that asset is retained in the asset revaluation reserve.

#### *Depreciation*

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated on the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

- Furniture and fittings - 10 years
- Plant and machinery - 10 years
- Computer hardware - 3 years
- Office equipment - 5 years

Works of art controlled by the Office are classified as property, plant and equipment. They are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

### **(g) Intangible Assets**

#### *Capitalisation/Expensing of assets*

Acquisitions of intangible assets costing \$5,000 and more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Office have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

- Software - 3 years

#### *Computer Software*

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

#### *Web site costs*

Web site costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

### **(h) Impairment of Assets**

Property, plant and equipment and intangible assets are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Office is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each balance sheet date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each balance sheet

date. See note 20 'Impairment of assets' for the outcome of impairment reviews and testing. See note 3(n) 'Receivables' and note 16 'Receivables' for impairment of receivable's.

#### **(i) Leases**

The Office holds operating leases for its office buildings and motor vehicles where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

#### **(j) Financial Instruments**

In addition to cash, the Department has two categories of financial instrument:

- Receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

- Financial Assets
- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services
- Financial Liabilities
- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is immaterial.

#### **(k) Cash and Cash Equivalents**

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These are comprised of cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

#### **(l) Accrued Salaries**

The accrued salaries suspense account (see note 15 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to



largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

Accrued salaries (refer note 21 'Payables') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Office considers the carrying amount of accrued salaries to be equivalent to its net fair value.

#### **(m) Amounts Receivable for Services (Holding Account)**

The Office receives appropriation funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement. See also note 14 'Income from State Government' and note 17 'Amounts receivable for services'.

#### **(n) Receivables**

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Office will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 3(j) 'Financial Instruments and note 16 'Receivables'.

#### **(o) Payables**

Payables are recognised when the Office becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 3(j) 'Financial Instruments and note 21 'Payables'.

#### **(p) Provisions**

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date. See note 22 'Provisions'.

#### **(i) Provisions - Employee Benefits**

##### *Annual Leave and Long Service Leave*

The liability for annual and long service leave expected to be settled within 12 months after the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the balance sheet date is measured at the present value of amounts expected to be

paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Office does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### *Superannuation*

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

- Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members. The Office has no liabilities for superannuation charges under the Pension or the GSS Schemes as the liability has been assumed by Treasurer.
- Employees commencing employment prior to 16 April 2007 who are not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Office makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share. See also note 3(q) 'Superannuation expense'.

### **(ii) Provisions - Other**

#### *Employment On-Costs*

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Office's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. (See note 12 'Other expenses' and note 22 'Provisions').

### **(q) Superannuation Expense**

The following elements are included in calculating the superannuation expense in the Income Statement:

(a) Defined benefit plans - Change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS); and

(b) Defined contribution plans - Employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), GESB Super Scheme (GESBS).

Defined benefit plans - in order to reflect the true cost of services, the movements (i.e. current service cost and, actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS Scheme transfer benefits are recognised as expenses directly in the Income Statement. As these liabilities are assumed by the Treasurer (refer note 3(p)(i)), a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement. See note 14 'Income from State Government'.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided in the current year.

Defined contribution plans - in order to reflect the Office's true cost of services, the Office is funded for the equivalent of employer contributions in respect of the GSS Scheme (excluding transfer benefits). These contributions were paid to the GESB during the year and placed in a trust account administered by the GESB on behalf of the Treasurer. The GESB subsequently paid these employer contributions in respect of the GSS Scheme to the Consolidated Account.

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

### **(r) Resources Received Free of Charge or for Nominal Consideration**

Resources received free of charge or for nominal consideration that can be reliably measured are recognised as income and as assets or expenses as appropriate at fair value.

### **(s) Comparative Figures**

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

## **4. Judgements made by management in applying accounting policies**

The judgements that have been used in the process of applying accounting policies have had no material effect on amounts recognised in the financial statements.

## 5 Key sources of estimation uncertainty

There were no estimates or assumptions made concerning the future, or other key sources of estimation uncertainty at the balance sheet date that is likely to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## 6 Disclosure of changes in accounting policy and estimates

### Initial application of an Australian Accounting Standard

The Office has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2007 that impacted on the Office:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the Office's exposure to risks, including enhanced disclosure regarding components of the Office's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

### *Voluntary Changes in Accounting Policy and Prior Period Errors*

At the end of November 2007, the Office rolled into the Department of Treasury and Finance's Shared Services environment. Prior to the roll in, the Office maintained an asset capitalisation threshold of \$1,000. Following the roll in and in accordance with Treasurer's Instruction 1101, the asset capitalisation policy for the Office was increased to \$5,000.

In accordance with the requirements of AASB 108, the Office has accounted for this change in accounting policy by retrospectively adjusting the opening balance of the accumulated surplus/(deficiency) account for the earliest prior period possible and by adjusting the relevant financial statement comparative amounts disclosed for the prior period presented, as if the new accounting policy had always been applied.

As a result of applying the \$5,000 capitalisation threshold to the Office's assets as at July 1, 2006 a number of the financial statement line items presented in the 2006/07 comparative financial statements have been changed. Whilst the details of these changes are presented below, some of the key changes include the following:

Property, Plant and Equipment balances as at July 1 2006 were altered as follows after the capitalisation change:

	<i>June 30 2006 Balances Prior to change in capitalisation policy</i>	<i>July 1 2006 Balances After change in capitalisation policy</i>
Furniture and Fittings		
At cost	17,159	6,000
Accumulated depreciation	(16,116)	(6,000)
Accumulated impairment loss	-	-
	<u>1,043</u>	<u>0</u>
Computer Equipment		
At cost	342,242	76,293
Accumulated depreciation	(290,949)	(63,838)
Accumulated impairment loss	-	-
	<u>51,293</u>	<u>12,455</u>
Office Equipment		
At cost	97,561	62,390
Accumulated depreciation	(56,265)	(39,478)
Accumulated impairment loss	-	-
	<u>41,296</u>	<u>22,912</u>
Office Establishment		
At cost	660,229	554,636
Accumulated depreciation	(386,357)	(283,330)
Accumulated impairment loss	-	-
	<u>273,872</u>	<u>271,306</u>
Works of Art		
At cost	4,965	0
Accumulated depreciation	0	0
Accumulated impairment loss	-	-
	<u>4,965</u>	<u>0</u>
Total	<u>372,469</u>	<u>306,673</u>
Net Difference \$65,795		

- Depreciation for 2006-07 decreased from \$167,267 to \$141,207 after the capitalisation change and correction of prior period error.
- Supplies and Services for 2006-07 increased by \$43,337 after the capitalisation change as a result of more assets being expensed rather than capitalised.

It was assessed that the earliest practical period that this change in accounting policy could be applied was as at July 1 2006. Hence this new capitalisation policy has been applied to the Offices assets as at that date and the current financial statements comparative balances adjusted to reflect application of the new capitalisation policy from that date. The net effect of the change in the capitalisation policy was a net decrease in the Offices asset base of \$65,795 which is reflected in an adjustment to the accumulated surplus/(deficiency) account for this amount (See Changes in Equity account for disclosure).

In addition the Office identified a number of items of furniture and equipment and fitout costs which had either been replaced several years earlier, or where not assets of the Office. The earliest practical period to which adjustments required to the financial statements balances could be posted was July 1, 2006.

The four items of furniture and equipment were fully depreciated as at July 1, 2006 being asset costs \$101,593 and accumulated depreciation of \$101,593 at that date. The fit-out costs of \$8,137 occurred during 2006-07 and hence, depreciation of \$339 related to this asset has been written back in the Income Statement for that financial year and the associated asset cost de-recognised as at June 30, 2007.

The relevant asset categories adjusted with their balances as at June 30 2007 pre the change in the capitalisation policy and prior period errors and post the change in the policy and prior period errors are as follows:

	<i>June 30 2007 Balances Prior to change in capitalisation policy and prior period errors</i>	<i>June 30 2007 Balances After change in capitalisation policy and prior period errors</i>
Furniture and Fittings		
At cost	30,439	21,780
Accumulated depreciation	(14,652)	(6,921)
Accumulated impairment loss	-	-
	<u>15,787</u>	<u>14,859</u>
Computer Equipment		
At cost	234,784	78,248
Accumulated depreciation	(151,995)	(55,417)
Accumulated impairment loss	-	-
	<u>82,789</u>	<u>22,831</u>
Office Equipment		
At cost	84,598	50,865
Accumulated depreciation	(52,865)	(34,526)
Accumulated impairment loss	-	-
	<u>31,733</u>	<u>16,339</u>

## Disclosures and Legal Compliance

	<i>June 30 2007 Balances Prior to change in capitalisation policy and prior period errors</i>	<i>June 30 2007 Balances After change in capitalisation policy and prior period errors</i>
Office Establishment		
At cost	719,092	605,362
Accumulated depreciation	(513,286)	(409,520)
Accumulated impairment loss	-	-
	<u>205,806</u>	<u>195,842</u>
Works of Art		
At cost	4,965	0
Accumulated depreciation	0	0
Accumulated impairment loss	-	-
	<u>4,965</u>	<u>0</u>
Total	<u>341,080</u>	<u>249,871</u>
Net Difference \$91,209		

*Future impact of Australian Accounting Standards not yet operative*

The Office cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Office has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Office but are not yet effective. Where applicable, the Office plans to apply these Standards and Interpretations from their application date:

Title	Operative for reporting periods beginning on/after
AASB 101 'Presentation of Financial Statements (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Office does not expect any financial impact when the Standard is first applied.	1 January 2009
Review of AAS 27 'Financial Reporting by Local Governments', 29 'Financial Reporting by Government Departments and 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:	
AASB 1004 'Contributions' (December 2007).	1 July 2008
AASB 1050 'Administered Items' (December 2007).	1 July 2008
AASB 1051 'Land Under Roads' (December 2007).	1 July 2008
AASB 1052 'Disaggregated Disclosures' (December 2007).	1 July 2008
AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137] (December 2007).	1 July 2008
Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities (December 2007).	1 July 2008
The existing requirements in AAS27, AAS 29 and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged. The new and revised Standards make some modifications to disclosures, otherwise there will be no financial impact.	



	2007-08	2006-07
	\$	\$
<b>7. Employee benefits expense</b>		
Wages and salaries <sup>(a)</sup>	2,579,134	2,663,754
Superannuation - defined contribution plans <sup>(b)</sup>	226,860	202,153
Superannuation - defined benefit plans <sup>(c)(d)</sup>	182,386	922,885
Long service leave <sup>(e)</sup>	51,062	(42,494)
Annual leave <sup>(e)</sup>	56,652	32,650
Other employee benefit expense	23,131	
	<u>3,119,225</u>	<u>3,778,948</u>

(a) Includes the value of the Fringe benefit to the employee plus the fringe benefits tax component

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

(c) Defined benefit plans include Pension scheme and Gold State (pre-transfer benefit).

(d) An equivalent notional income is also recognised (see note 14 'Income from State Government')

(e) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance are included at note 12 'Other expenses'.  
The employment on-costs liability is included at note 22 'Provisions'.

#### 8. Supplies and Services

Travel	35,638	22,401
Communications	37,422	37,839
Consumables	143,259	120,369
Services and contracts	296,798	223,567
Resources received free of charge (see note 14)	63,120	73,000
Other	82,463	37,601
	<u>658,700</u>	<u>514,777</u>

#### 9. Depreciation and amortisation expense

Furniture and fittings	68,205	920
Computer equipment	11,015	7,522
Office equipment	7,215	6,573
Office establishment	-	126,192
Plant & Machinery	1,587	-
Computer software	28,597	-
Total Depreciation	<u>116,619</u>	<u>141,207</u>

#### 10. Accommodation expenses

Lease rentals and outgoings	465,683	265,685
Resources received free of charge (see note 14)	656	2,988
	<u>466,339</u>	<u>268,673</u>

	2007-08	2006-07
	\$	\$

**11. Capital User Charge**

-	46,177
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The charge was a levy applied by Government for the use of its capital. In 2006-07, the final year in which the charge was levied, a single payment was made equal to the appropriation for 2006-07 less any adjustment relating to 2005-06.

**12. Other expenses**

Employment on-costs	3,393	6,017
Audit Fee	18,800	18,800
Bad Debt Write-off	7,388	-
	<u>29,581</u>	<u>24,817</u>

Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 22 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

**13. User charges and fees**

Retained revenue - other	671,690	725,075
	<u>671,690</u>	<u>725,075</u>

**14. Income from State Government**

Appropriation received during the year:

Service appropriations <sup>(a)</sup>		
Recurrent	3,251,000	2,581,000
Special Acts	476,000	407,000
	<u>3,727,000</u>	<u>2,988,000</u>

The following liabilities have been assumed by the Treasurer during the financial year:

Superannuation <sup>(b)</sup>	182,386	922,885
Total liabilities assumed by the Treasurer	<u>182,386</u>	<u>922,885</u>

The following assets have been assumed from/(transferred to) other state government agencies during the financial year(c):

	-	-
Total assets assumed/(transferred)	<u>182,386</u>	<u>922,885</u>

Resources received free of charge<sup>(d)</sup>

Determined on the basis of the following estimates provided by agencies:

Department of Justice	8,297	-
Department of the Premier and Cabinet Corporate and Business Services	54,823	73,000
Department of Housing and Works - property management	-	2,988
	<u>63,120</u>	<u>75,988</u>

- (a) Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (b) The assumption of the superannuation liability by the Treasurer is a notional income to match the notional superannuation expense reported in respect of current employees who are members of the Pension Scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation Scheme.
- (c) Where the Treasurer or other entity has assumed a liability, the Office recognises revenues equivalent to the amount of the liability assumed and an expense relating to the nature of the event or events that initially gave rise to the liability. From 1 July 2002 non-discretionary non-reciprocal transfers of net assets (ie. restructuring of administrative arrangements) have been classified as Contributions by Owners (CBOs) under TI 955 and are taken directly to equity.
- (d) Where assets or services have been received free of charge or for nominal cost, the Office recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable. The exception occurs where the contributions of assets or services are in the nature of contributions by owners, in which case the Office makes adjustment direct to equity.

	2007-08	2006-07
	\$	\$

#### 15. Restricted cash and cash equivalents

##### Non-current

Accrued salaries suspense account <sup>(a)</sup>	30,731	17,126
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- (a) Amount held in the suspense account is only to be used for the purpose of meeting the 27<sup>th</sup> pay in a financial year that occurs every 11 years.

#### 16. Receivables

##### Current

GST Receivable	36,955	(810)
Accrued Revenue	140,563	-
Other	158,207	197,241
	335,725	196,431

##### Prepayments

Current	-	-
Total Current	335,725	196,431

See note 3(n) and note 29 "Financial Instruments"

#### 17. Amounts receivable for services

Current	143,000	106,000
Non-current	600,000	659,000
	743,000	765,000

Represents the non-cash component of service appropriations. See note 3(m) 'Amounts Receivable for Services (Holding Account)'. It is restricted in that it can only be used for asset replacement or payment of leave liability.

		2007-08	2006-07
		\$	\$
<b>18. Property, Plant and Equipment</b>			
Buildings - Leasehold Improvements (WIP)			
At cost		494,253	-
Furniture and fittings			
At cost		611,362	21,780
Accumulated depreciation		(483,726)	(6,921)
		127,636	14,859
Computer Hardware			
At cost		78,248	78,248
Accumulated depreciation		(66,432)	(55,417)
		11,816	22,831
Office equipment			
At cost		44,357	50,865
Accumulated depreciation		(23,741)	(34,526)
		20,616	16,339
Plant & machinery			
At cost		15,780	-
Accumulated depreciation		(2,507)	-
		13,273	-
Communications			
At cost		18,000	-
Accumulated depreciation		(18,000)	-
		-	-
Office establishment			
At cost		-	605,362
Accumulated depreciation		-	(409,520)
		-	195,842
Works of Art			
At cost		-	-
		-	-
Total			
At cost		1,262,000	756,255
Accumulated depreciation		(594,406)	(506,384)
		667,594	249,871
See next page for reconciliation			

**Reconciliations**

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the current and previous financial year are set out below.

2007-08	Furniture & fittings	Computer hardware	Office equipment	Office establishment	Leasehold improvements WIP	Plant and Machinery	Art Work	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	14,859	22,831	16,339	195,842	-	-	-	249,871
Additions		-	11,492		494,253		-	505,745
Transfers	180,982			(195,842)	-	14,860		-
Depreciation	(68,205)	(11,015)	(7,215)	-	-	(1,587)	-	(88,022)
Carrying amount at end of year	127,636	11,816	20,616	-	494,253	13,273	-	667,594

2006-07	Furniture & fittings	Computer hardware	Office equipment	Office establishment	Leasehold improvements WIP	Plant and Machinery	Art Work	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	1,043	51,291	41,296	273,872	-	-	4,965	372,467
Derecognition of assets (change in acct. policy)	(1,043)	(38,838)	(18,384)	(2,565)	-	-	(4,965)	(65,795)
Additions	15,780	17,898	-	50,727	-	-	-	84,405
Depreciation	(921)	(7,520)	(6,573)	(126,192)	-	-	-	(141,206)
Carrying amount at end of year	14,859	22,831	16,339	195,842	-	-	-	249,871

	2007-08	2006-07
	\$	\$

**19. Intangible assets****Computer Software**

At cost	186,450	91,920
Accumulated amortisation	(28,597)	-
	157,853	91,920

**Reconciliations:****Computer Software**

Carrying amount at start of year	91,920	-
Additions	94,530	91,920
Amortisation expense	(28,597)	-
Carrying amount at end of year	157,853	91,920

**20. Impairment of assets**

There were no indications of impairment of property, plant and equipment and intangible assets at 30 June 2008. The Office held no goodwill or intangible assets with an indefinite useful life during the reporting period and at balance sheet date there were no intangible assets not yet available for use. All surplus assets at 30 June 2007 have either been classified as assets held for sale or written-off.

	2007-08	2006-07
	\$	\$
<b>21. Payables</b>		
Current		
Trade payables	240,434	380
Accrued Expenses	109,520	43,294
Accrued Salaries	24,314	9,437
Other payables	2,551	-
	<u>376,819</u>	<u>53,111</u>

The carrying amount of payables approximates their net fair values.

### 23. Provisions

Current		
Employee benefits provision		
Annual leave <sup>(a)</sup>	290,012	232,599
48/52 Salary Purchasing	-	1,255
Long service leave <sup>(b)</sup>	345,498	332,456
	<u>635,510</u>	<u>566,310</u>

Other provisions		
Employment on-costs <sup>(c)</sup>	2,943	2,624
	<u>2,943</u>	<u>2,624</u>
	<u>638,453</u>	<u>568,934</u>

Non-current		
Employee benefits provision		
Long service leave <sup>(b)</sup>	175,158	139,472
	<u>175,158</u>	<u>139,472</u>

Other provisions		
Employment on-costs <sup>(c)</sup>	822	653
	<u>822</u>	<u>653</u>
	<u>175,980</u>	<u>140,125</u>

- (a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date	169,997	232,599
More than 12 months after balance sheet date	120,015	-
	<u>290,012</u>	<u>232,599</u>

	2007-08	2006-07
	\$	\$

- (b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date	221,898	332,456
More than 12 months after balance sheet date	298,758	139,472
	<u>520,656</u>	<u>471,928</u>

- (c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included in note 11 'Other expenses'.

#### *Movement in Other Provisions*

##### Employment on-cost provision

Carrying amount at start of year	3,325	3,325
Additional provisions recognised	488	-
Payments/other sacrifices of economic benefits	(48)	-
Carrying amount at end of year	<u>3,765</u>	<u>3,325</u>

## 24. Equity

Equity represents the residual interest in the net assets of the Office. The Government holds the equity interest in the Office on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

### **Contributed equity**

Balance at the start of the year	732,000	732,000
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#### **Contributions by owners:**

Capital Contributions <sup>(a)</sup>	-	-
Transfer of net assets from other agencies <sup>(a)</sup>	-	-
Total contributions by owners	<u>-</u>	<u>-</u>

#### **Distributions to owners:**

Transfer of net assets to other agencies <sup>(b)</sup>	-	-
Net assets transferred to Government <sup>(c)</sup>	-	-
Total distributions to owners	<u>-</u>	<u>-</u>

Balance at the end of the year	732,000	732,000
Transfer to Accumulated surplus/(deficit)	-	-
Restated balance at the end of the year	<u>732,000</u>	<u>732,000</u>

- (a) Capital Contributions (appropriations) and non-discretionary (non-reciprocal) transfers of net assets from other State government agencies have been designated as contributions by owners in Treasurer's Instruction TI 955 'Contribution by Owners Made to Wholly-Owned Public Sector Entities' and are credited directly to equity.

- (b) UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires that where the transferee accounts for a transfer as a contribution by owner, the transferor must account for the transfer as a distribution to owners. Consequently, non-discretionary (non-reciprocal) transfers of net assets to other State government agencies are distribution to owners and are debited directly to equity.
- (c) TI 955 requires non-reciprocal transfers of net assets to Government to be accounted for as distribution to owners.

	2007-08	2006-07
	\$	\$
<b>Reserves</b>		
<b>Asset revaluation reserve</b>		
Balance at the start of the year	-	5,117
Realised on asset disposal	-	(5,117)
Balance at the end of the year	-	-

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

#### Accumulated surplus

Balance at the start of the year	352,338	468,946
Restatement of opening balance due to change in accounting policy	-	(65,794)
	352,338	403,152
Restatement of op bal due to correction of prior accounting period FS errors	-	(8,138)
	352,338	395,014
Realised portion of revaluation reserve on asset disposal	-	5,117
Result for the period	253,732	(47,793)
Balance at the end of the year	606,070	352,338

#### Notes to the Cash Flow Statement

##### Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	594,419	526,160
Restricted cash and cash equivalents (refer to note 15)	30,731	17,126
	625,150	543,286

##### Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Net cost of services	(3,718,774)	(4,034,666)
Non-cash items:		
Depreciation and amortisation expense	116,619	141,207
Superannuation expense	182,386	922,885
Resources received free of charge	63,120	75,988
Other Revenue	(110,800)	-



	2007-08 \$	2006-07 \$
(Increase)/decrease in assets:		
Prepayments	-	26,902
Current receivables <sup>(c)</sup>	(101,529)	(192,204)
Increase/(decrease) in liabilities:		
Accrued salaries	-	730
Current Provisions	69,519	32,802
Current payables	323,708	(64,108)
Non-current provisions	35,855	(42,694)
Net GST receipts/(payments) <sup>(a)</sup>	2,018	(4,471)
Change in GST in receivables/payables <sup>(b)</sup>	(39,783)	
Net cash provided by/(used in) operating activities	(3,137,878)	(3,137,629)

(a) This is the net GST paid/received, i.e cash transaction.

(b) This reverses out the GST in receivables and payables.

(c) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

## 25. Resources provided free of charge

The Office did not provide any resources to other agencies free of charge.

## 26. Commitments

Non-cancellable operating leases commitments  
Commitments for motor vehicle lease payments are payable as follows:

Within 1 year	475,111	7,302
Later than 1 year and not later than 5 years	1,407,332	9,737
Later than 5 years	-	-
	1,882,443	17,039

The non cancellable operating leases represent the Office's property lease and leases on its motor vehicles. The property lease is non-cancellable lease with a four year 10 month term with a further option to renew the lease. Rent is payable monthly. Contingent rent provisions within the lease agreement allow for the minimum lease payments to be reviewed and increased in line with movements in market rents.

The motor vehicle lease is a non-cancellable lease with a two year term, with lease payments monthly. New vehicle leases are negotiated at the end of this period, the number of vehicle leases being subject to the Departments operational needs.

	2007-08	2006-07
	\$	\$

*Other commitments*

Other expenditure commitments for operational expenditure contracted for at the balance sheet date but not recognised as liabilities, are payable as follows:

Within 1 year	682	-
Later than 1 year and not later than 5 years	-	-
	<u>682</u>	<u>-</u>

These commitments are all inclusive of GST.

**27. Event occurring after the balance sheet date.**

There were no events occurring after the reporting date that impact on the financial statements.

**28. Explanatory Statement**

Significant variations between estimates and actual results for income and expense as presented in the financial statement titled 'Summary of Consolidated Fund Appropriations and Income Estimates' are shown below. Significant variations are considered to be those greater than 10% or \$373,000.

The following explanations are provided in accordance with Treasurer's Instruction 945:

**(i) Significant variances between estimate and actual - Total appropriation to deliver services:**

	Estimate 2007-08 \$	Actual 2007-08 \$	Variance \$
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**Total Appropriation**

Total Appropriation	3,340,000	3,727,000	(387,000)
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The variation relates to an approved increase in appropriation during the year of \$309,000 to cover increased costs of accommodation arising from the lease renewal in 2007-08, \$68,000 to cover the costs of pay increases, superannuation and car allowances for positions covered by the Salary and Allowance Tribunal and \$9000 for pay increases for CSA specified callings.

**(ii) Significant variances between actual for 2006-07 and 2007-08 - Total appropriation to deliver services:**

	Actual 2007-08 \$	Actual 2006-07 \$	Variance \$
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**Service Expenditure**

Other Public Sector Organisations	4,212,437	4,734,794	(522,357)
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The variation relates primarily to a reduction in expenses for superannuation defined benefit plans of \$740,499 (Note 7), increased expenses for leave liability of \$117,558 (Note 7) and increased cost of accommodation of \$199,998 (Note 10). The remaining variation is due to general salary and cost escalation.

## 29. Financial Instruments

### (a) Financial Risk Management Objectives and Policies

Financial Instruments held by the Office are cash and cash equivalents, restricted cash and cash equivalents and receivables and payables. All of the Office's cash is held in the public bank account (non-interest bearing) apart from restricted cash held in a special purpose account. The Office has limited exposure to financial risks. The Office's overall risk management program focuses on managing the risks identified below.

#### *Credit risk*

Credit risk arises when there is the possibility of the Office's receivables defaulting on their contractual obligations resulting in financial loss to the Office. The Office measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 29(c).

Credit risk associated with the Office's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Office trades only with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Office's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Provision for impairment of financial assets is calculated based on past experience, and current and expected changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 16 'Receivables'.

#### *Liquidity risk*

The Office is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Office is unable to meet its financial obligations as they fall due.

The Office has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

#### *Market risk*

The Office does not trade in foreign currency and is not materially exposed to other price risks. Other than as detailed in the Interest rate sensitivity analysis table at Note 29(c), the Office is not exposed to interest rate risk because all other cash and cash equivalents and restricted cash are non-interest bearing, and the Office has no borrowings.

**(b) Categories of Financial Instruments**

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2007-08	2006-07
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	594,419	526,160
Restricted cash and cash equivalents	30,731	17,126
Receivables <sup>(a)</sup>	1,041,770	962,241
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	376,819	53,111

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

**(c) Financial Instrument disclosures**

*Credit Risk, Liquidity Risk and interest Rate Risk Exposure.*

The following table details the exposure to liquidity risk and interest rate risk as at the balance sheet date. The Office's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the Office. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date. An adjustment for discounting has been made where material.

The Office does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Office does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

	Weighted average effective interest rate	Variable interest rate	Non-Interest Bearing	Contractual Maturity Dates:						Adjustment for Discounting	Carrying Amount
				Within 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years		
<b>2008</b>	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>											
Cash Assets	-	594,419	-	-	-	-	-	-	-	-	594,419
Restricted Cash Assets	-	30,731	-	-	-	-	-	-	-	-	30,731
Receivables <sup>(a)</sup>	-	298,770	-	-	-	-	-	-	-	-	298,770
Amounts receivable for services	-	743,000	-	-	-	-	-	-	-	-	743,000
	-	1,666,920	-	-	-	-	-	-	-	-	1,666,920
<b>Financial Liabilities</b>											
Payables	-	376,819	-	-	-	-	-	-	-	-	376,819
	-	376,819	-	-	-	-	-	-	-	-	376,819

	Weighted average effective interest rate	Variable interest rate	Non-Interest Bearing	Contractual Maturity Dates:						Adjustment for Discounting	Carrying Amount
				Within 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 Years		
2007	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted Cash Assets		-	17,126	-	-	-	-	-	-	-	17,126
Receivables <sup>(a)</sup>		-	197,241	-	-	-	-	-	-	-	197,241
Amounts receivable for services		-	765,000	-	-	-	-	-	-	-	765,000
		-	1,505,527	-	-	-	-	-	-	-	1,505,527
Financial Liabilities											
Payables		-	53,111	-	-	-	-	-	-	-	53,111
		-	53,111	-	-	-	-	-	-	-	53,111

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

#### Interest rate sensitivity analysis

None of the Office's financial assets and liabilities at the balance sheet date are sensitive to movements in interest rates, hence movements in interest rates have no bottom line impact on the Office's surplus or equity.

#### Fair Values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

					2007-08	2006-07
					\$	\$

### 30. Remuneration of Auditor

Remuneration to the Auditor General for the financial year is estimated as follows:

Auditing the accounts, financial statements and performance indicators	20,700	18,800
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					2007-08	2006-07
					\$	\$

### 31. Remuneration of senior officers

#### Remuneration

The number of senior officers whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, who fall within the following bands is:

\$		
1,001 - 2,000	1	-
60,001 - 70,000	-	1
70,001 - 80,000	-	-
80,001 - 90,000	1	-
90,001 - 100,000	1	1
100,001 - 110,000	-	2
110,001 - 120,000	1	-
130,001 - 140,000	1	-
200,001 - 210,000	-	1
230,001 - 240,000	-	1
270,001 - 280,000	1	-
330,001 - 340,000	1	-

The total remuneration of senior officers is:

1,035,782	821,827
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The total remuneration includes the superannuation expense incurred by the Office in respect of senior officers. One senior officer is a member of the Pension Scheme.

### 32. Contingent liabilities and contingent assets

#### Contingent Liabilities

The Office has no contingent liabilities.

#### Contingent Assets

The Office has no contingent assets.

### 33. Related bodies

The Office had no related bodies during the financial year.

### 34. Affiliated bodies

The Office had no affiliated bodies during the financial year.

### 35. Indian Ocean Territories

The Indian Ocean Territories Reimbursement Fund was established in March 1996 and became operational in July 1996. The purpose of the Fund is to meet the cost of the services of the Office in relation to complaints involving the Indian Ocean Territories.

The balance of the Fund at the end of the financial year is included in the Office's Operating Account. The figures presented below for the Fund have been prepared on a cash basis.

	2007-08 \$	2006-07 \$
Opening Balance	13,210	10,178
Receipts	-	9,351
Payments	(2,036)	(6,319)
Closing Balance	<u>11,174</u>	<u>13,210</u>

### 36. Supplementary financial information

#### Write-Offs

There was one write-off during the financial year, it related to a prior year salary overpayment of \$7,388.

#### Losses Through Theft, Defaults and Other Causes

There were no losses of public money and public and other property during the financial year.

#### Gifts of public property

There were no gifts of public property provided by the Department during the financial year.

## Ministerial Directives

The Ombudsman reports directly to the Western Australian Parliament and is not under the control of a minister. Ministers are not able to give directives relating to desired outcomes or operational objectives.

## Other Financial Disclosures

### Pricing Policies of Services Provided

The Ombudsman's office currently receives revenue for the following functions:

- Costs for the Energy Ombudsman functions are recouped from Energy Industry Ombudsman (Western Australia) Limited on the basis of full cost recovery. These costs are determined by the actual staffing costs involved in delivering the service plus an allowance for overheads and the direct recovery of capital expenditure and particular operational expenses, such as interstate travel.
- Under an agreement with the Commonwealth, the Ombudsman's office handles enquiries and complaints from the Indian Ocean Territories about local governments and Western Australian Government agencies delivering services to the Territories. Each year the office recoups costs from the Commonwealth for any complaints received from these Territories. Cost recovery is based on the average cost per complaint handled by the office over the last two years based on the cost per complaint published in the office's Annual Reports. The costs of any travel to the Territories by the Ombudsman or staff and any promotional materials are also recouped in full.
- The Ombudsman's office is a partner with the Commonwealth Ombudsman and the New South Wales Ombudsman in an AusAID funded program in Indonesia (funded under the AusAID Government Partnership Fund), the principal goal of which is to provide greater access, across a larger portion of Indonesia, to more effective and sustainable Ombudsman and other complaint management services. The Ombudsman's office recoups costs for these activities from the Commonwealth Ombudsman's office in accordance with the *Australia Indonesia Partnership for Reconstruction and Development Government Partnership Fund Guidelines*.

## Capital Works

### Case Management System

In 2007-08, the Ombudsman's office continued with the project to replace the case management system that tracks complaints handled by the office. The system will be used to record all enquiries and complaints received by the State Ombudsman and the Energy Ombudsman and to provide statistics for internal management and stakeholders. A tender process was undertaken by the Department of Treasury and Finance and a capital project was approved. The project provided for funding for the initial setup of the system of \$260,000 in 2006-07 with additional funds of \$28,000 per year for software licences in the next three years.



There were two phases for the setup of the system:

Phase 1: Establish the system for Energy Ombudsman complaints.

Phase 2: Establish the system for general complaints handled under the *Parliamentary Commissioner Act (1971)*.

Phase 1 was largely completed in 2006-07 at a cost of \$91,920. Phase 2 was completed on 30 June 2008. Progress payments of \$95,430 were made during 2007-08. The remaining payments totalling \$55,620 will be made in 2008-09 as they were subject to the successful implementation of the system. The total cost of the new system was \$150,150.

### Office Refurbishment

In January 2007 the independent review of the former Department for Community Development, undertaken by Prudence Ford recommended that the child death review function be transferred from the ministerial Child Death Review Committee to the Ombudsman and that a small investigations unit be established.

It was recognised that additional office space would be required to accommodate staff for this additional function. When an opportunity arose to obtain additional space in the current building in July 2007, the Ombudsman obtained approval for the cost of the additional lease and for fitout costs. The Information Commissioner, who is collocated with the Ombudsman, also had a fitout scheduled. As the proposed new arrangements required the Information Commissioner and his staff to move to another location within the building, the fit-out for both agencies was undertaken concurrently and was managed by the Ombudsman's office. The budgeted total cost of the fitout for both organisations was \$405,000 including \$205,000 for the Information Commissioner's office and \$200,000 for the Ombudsman's office. Funding was obtained from an approved additional drawdown of \$297,000 and a carryover of \$108,000 for the fitout for the Information Commissioner.

The fitout was completed in 2007-08 at a cost of \$429,000.

### Employment and Industrial Relations

The Ombudsman's office has grown steadily over the past 3 years. Over the full year for 2007-08 there were 31 FTEs, and as at 30 June 2008 there were 38 employees including 32 full time employees and 6 part time employees. This includes people on unpaid leave and contract staff employed to provide short term expertise and backfill staff during long periods of leave, such as maternity leave. All employees are public sector employees operating in executive, policy, enquiry, investigation and clerical roles.

Table 14 provides a breakdown of the categories of employment for staff as at 30 June 2008, compared to the same time in 2006-07.

Table 14 - Number of Staff as at 30 June			
Employee Category	2005-06	2006-07	2007-08
Full-time permanent	24	26	30
Full-time contract	5	2	2
Part-time permanent	5	7 (4.4 FTEs)	5 (3.2 FTEs)
Part-time contract	0	1 (0.2 FTEs)	1 (0.8 FTEs)
<b>TOTAL</b>	<b>34</b>	<b>36 (32.6 FTEs)</b>	<b>38 (36 FTEs)</b>
Employees seconded out (included in numbers above)	Not Available	2	0
Employees seconded in (not included in numbers above)	Not Available	4 (3.8 FTEs)	2 (1.5 FTEs)
<b>NET TOTAL</b>	<b>Not Available</b>	<b>38 (34.4 FTEs)</b>	<b>40 (37.5 FTEs)</b>

## (a) Staff Policies and Procedures, Including Recruitment and Staff Development

The Ombudsman's office has policies in place to cover a range of human resource management practices. All HR related policies are developed in consultation with a Joint Consultative Committee for the purpose of setting a framework for the interpretation of awards, agreements and legislative requirements. A comprehensive review of several policies was undertaken during the 2007-08 year, including a recreational leave policy to ensure employees take sufficient leave to maintain their health and productivity and to schedule leave planning around workload commitments. There will be a particular emphasis on the development of a training and development plan and induction program during the 2008-09 year.

### Flexible Work Practices

Flexible work options, part-time and job-sharing arrangements are widely accepted as part of a family friendly approach to the work environment. Advertisements for all positions in the office include information that flexible work arrangements, including part-time employment, may be negotiated. Many staff take up these flexible work options, and staff in all areas and at all levels have access to, and use, part-time or purchased leave arrangements. Opportunities are also available for staff to work from home.

### Diversity in the Workplace

The office recognises the importance of a diverse workforce in providing services to the diverse Western Australian community. The office has strategies in place to increase the diversity of the

workforce and ensure equitable treatment of staff and clients. In addition, the office has policies on equal opportunity and harassment, and will not tolerate any form of direct or indirect discrimination.

The office's EEO management planning and practices take into account the principles and objectives of the Government's *Equity and Diversity Plan for the Public Sector Workforce 2006–2009*. The office is well represented by People with Disabilities, Youth and Women in Management and women continue to be well represented across all levels.

The office has a small staff and as such, changes in staffing, such as turnover of only one or two people, have a significant effect on levels of representation. It is therefore not practical to set specific objectives for representation. However, the office identified areas where it will be working to achieve increased representation and has identified key opportunities to achieve these objectives and other equal employment opportunity outcomes.

The opportunities identified for the year ahead are to:

- review and update the office's induction manual and procedures to include ways to cover requirements for a workplace that values diversity and is free of discrimination, harassment and victimisation;
- train/retrain staff who are involved in selection processes;
- review current policies and procedures as an ongoing matter; and
- explore the possibility of appointing an Indigenous person to undertake liaison with Indigenous people to improve their access to making complaints to the Ombudsman.

### Recruitment

There is a strong focus on merit and equity in all recruitment and selection processes, whether the process is to fill a permanent position or short term secondment or acting vacancy. All job advertisements encourage people from diverse backgrounds to apply and to provide for negotiation of flexible work arrangements. The office's recruitment and selection practices are designed to meet the requirement of the public sector standards in human resource management and enable both organisational requirements and employee interests to be met.

### Performance Management

A consistent performance management process is used across the office and a monitoring system ensures all employees have performance management in place.

### Grievance Management

The office is committed to creating a work environment free from all forms of discrimination and harassment and to resolving grievances promptly. Grievance management and harassment policies are available to all staff at induction and through the office intranet. In 2007-08 there were no formal internal grievances.

### Public Interest Disclosure

The Ombudsman's office has a public interest disclosure policy and strongly supports disclosures being made by staff. The Ombudsman will take all reasonable steps to provide protection to staff

who make such disclosures from any detrimental action in reprisal for the making of a public interest disclosure. The office provides guidelines to staff wishing to make such disclosures. In 2007-08 there were no public interest disclosures about the activities of the Ombudsman's office.

## (b) Industrial Relations

Staff in the Ombudsman's office are employed under the *Government Officers' Salaries, Allowances and Conditions General Agreement 2006* and the *Government Officers' Salaries, Allowances and Conditions Award 1989*. No industrial disputes were recorded during the year.

## Governance Disclosures

Governance Disclosures	Disclosures in 2007-08
<b>Shares in Statutory Authority</b>	This is not relevant as the Ombudsman's office is not a statutory authority and does not have shares.
<b>Shares in Subsidiary Bodies</b>	This is not relevant as the Ombudsman's office does not have any subsidiary bodies.
<b>Interests in Contracts by Senior Officers</b>	<p>The office's Code of Conduct defines conflict of interest and appropriate action to take where a conflict arises between the employee's public duty and their private interests, including during tender and purchasing processes.</p> <p>Employees are aware through the Code of Conduct that they have an obligation to disclose interests that could reasonably create a perception of bias, or an actual conflict of interest, and members of Corporate Executive are asked to declare any interests at each Corporate Executive meeting.</p> <p>In addition, senior staff are aware of the Conflict of Interest guidelines developed by the Integrity Coordinating Group, of which the Western Australian Ombudsman is a member.</p> <p>The office's policy on identifying and addressing conflict of interest includes any interest of:</p> <ul style="list-style-type: none"> <li>(a) a senior officer; or</li> <li>(b) a firm of which a senior officer is a member; or</li> <li>(c) an entity in which the senior officer has a substantial financial interest</li> </ul> <p>in any existing or proposed contract made with the Ombudsman's office.</p> <p>There have been no declarations of an interest in any existing or proposed contracts by senior officers in 2007-08.</p>
<b>Benefits to Senior Officers through Contracts</b>	This is not applicable as no senior officers have received any benefits.
<b>Insurance Premiums to Indemnify Directors</b>	This is not applicable as the Ombudsman's office does not have any directors as defined in Part 3 of the <i>Statutory Corporations (Liability of Directors) Act 1996</i> .

## Other Legal Requirements

### Advertising and Sponsorship Expenditure (Electoral Act)

The office has not engaged any companies or organisations relating to advertising, market research, polling, direct mail or media advertising that require disclosure under s.175ZE of the *Electoral Act 1907*.

### Disability Access and Inclusion Plan Outcomes

The office is committed to providing optimum access and service to people with disabilities, their families and carers. The Ombudsman's Disability Access and Inclusion Plan includes the following initiatives.

Table 15 – Disability Access and Inclusion Plan

Initiative	Action
People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority	Any member of the public or staff with a disability has an equal opportunity to participate in consultations, decision making, events organised by the office, grievance processes, complaint handling and other services provided by the office. For events and meetings organised by the office, venues are assessed for suitable access for people with disabilities and, where necessary, staff will meet with complainants outside the office to provide them with appropriate access to the complaints process.
People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority	An access audit undertaken during the 2007-08 year has highlighted areas for access improvements for people with disabilities. The office will undergo a new accommodation fit-out during 2008-09. The Disability Services Commission guidelines on access have been used in the design of the new offices and facilities.
People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it	The office strives to publish all documents in plain English. Publications are available in alternative formats on request and this information is provided in all new publications. Information published on the office website can be viewed and printed in alternative formats and TTY phone access is available for people with a hearing impairment. In addition, the office has provided suitable equipment to enable employees with vision impairments to access electronic information.
People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority	The services provided by the office have been adapted to reduce barriers to people with disabilities through better access and the availability of information in various formats on request. This has helped to raise the awareness of staff in relation to their obligations in dealing with people with disabilities.

Table 15 – Disability Access and Inclusion Plan

Initiative	Action
People with disabilities have the same opportunities as other people to make complaints to a public authority	A key role of the Ombudsman's office is to handle complaints about the public authorities. Any member of the public with a disability has an equal opportunity to make a complaint to the office. All complaints are investigated free of any bias or discrimination in order to achieve appropriate outcomes quickly and efficiently. Where necessary, the complaint process is modified to meet the needs of a person with a disability. This includes meeting with people at a local venue where it is difficult for them to attend the office, and modifying communication strategies, for example by using a translator where required.
People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority	Any member of the public or staff with a disability has an equal opportunity to participate in consultations, decision making, grievance process and any other consultative process within the office. Most consultation with the office is handled through the website or other electronic means. The office website meets disability access requirements and documents can be viewed and printed in alternative formats.

## Compliance with Public Sector Standards and Ethical Codes

As an accountability agency, the Ombudsman's office has a strong commitment to promoting integrity in official conduct and the Ombudsman is a member of the Integrity Coordinating Group. The office aspires to lead by example and is committed to achieving high standards in monitoring and ensuring compliance with the Public Sector Standards, the *Western Australian Public Sector Code of Ethics* and the office's Code of Conduct.

Table 16 identifies the significant action taken to monitor and ensure compliance and any compliance issues that have arisen in 2007-08 in each of these areas.

Table 16 - Significant Action to Monitor and Ensure Compliance

### Western Australian Public Sector Code of Ethics

The Code of Ethics is available on the intranet and as part of the induction of new staff. Awareness has been promoted by senior staff attending a number of forums relating to ethical conduct.

**Compliance issues:** There has been no evidence of non-compliance with the Public Sector Code of Ethics.

Table 16 - Significant Action to Monitor and Ensure Compliance

**Public Sector Standards**

Managers and staff are required to comply with the Public Sector Standards in Human Resource Management. Examples of monitoring provisions include:

- for recruitment, selection and appointment, an individual review of each process is undertaken prior to the final decision to ensure compliance with the Recruitment Selection and Appointment Standard;
- a review process is in place to ensure that, for acting and secondment positions, a merit-based process is used and there are no inadvertent extensions that result in long-term opportunities without expressions of interest; and
- a monitoring process is in place to ensure there are current performance management processes in place for all employees.

**Compliance issues:**

- Internal checks have shown compliance with the standards is achieved before any final decision.
- No breach claims were lodged.

**Code of Conduct**

The Code of Conduct includes a core value statement that identifies and defines the key values of justice, equity, efficiency and effectiveness.

The Code of Conduct also addresses a range of issues including dealing with clients, harassment and discrimination, conflict of interest, fraud, intellectual property, confidentiality, public comment by staff, and grievances and allegations against officers. It has a particular emphasis on identifying and addressing conflicts of interest between public duty and private benefits. It also refers to key policies relating to handling of grievances and allegations against staff and internal review of operational decisions.

Based on the standards included in the Public Sector Code of Ethics, the office Code of Conduct is an integral part of the standards of behaviour adhered to by employees. It is available to all staff on the office intranet and is part of the induction of all new staff.

The Code is regularly reviewed along with the policies to which it refers.

**Compliance issues:** No evidence of non-compliance with the office's Code of Conduct.

**Recordkeeping Plans**

The Ombudsman's office is committed to continuously improving recordkeeping practices consistent with the *State Records Act 2000* and aims for best practice recordkeeping practices. The current office Recordkeeping Plan (the plan), was approved by the State Records Commission for the maximum period of five years in December 2004 and an electronic document records management system was implemented in 2005.

**Evaluation of Efficiency and Effectiveness of Systems**

During 2007-08 the office's recordkeeping processes continued to undergo reviews to demonstrate compliance with the Plan and a commitment to efficient recordkeeping practices. A review of the office's Records Management Policy will be completed in 2008-09.



The Records File Classification Plan for record-naming conventions was updated to reflect current business functions, the transition to Office of Shared Services and other administrative changes. The major review of all Retention and Disposal Schedules for files in all core business function areas is continuing, with the completion of the Retention and Disposal Schedule for Complaint and Own Motion Investigation Files.

The office also continues to maintain an offsite storage facility for the storage of all “significant” complaints files and all other relevant files for the duration of their retention. A regular disposal program targeting division-specific records is undertaken to ensure ongoing on-site storage capacity.

All incoming, outgoing and significant internal documents are being saved electronically into the electronic document records management system. This complements the saving of electronic mail (email) and facsimiles directly into the ‘TRIM’ electronic document records management system.

### **Nature and Extent of Training Conducted**

All staff are required to save their final electronic documents into the electronic document records management system and a training file is presented to new staff containing relevant procedural manuals and documents to assist in compliance with record keeping requirements. Information and advice received from the State Records Office was forwarded to all staff clarifying the classification and retention requirements of email correspondence.

Administration staff in the operations area have received further training to assist them to determine appropriate files for correspondence and consistent naming conventions for new files requested.

### **Review of Efficiency and Effectiveness of Systems**

The current processes are operating effectively and are regularly reviewed. This year the focus has been on maintaining the efficiency of record handling for incoming mail in the event of changes to staffing and new Reception staff members have received extensive training in the use of TRIM. The latest version of TRIM is to be installed early in the 2008-09 year. All staff members have received information and advice on classification and storage of emails as per advice from the State Records Office.

### **Compliance with Recordkeeping Plan – Induction**

All new staff receive a recordkeeping induction and electronic document records management system training session. Follow-up training and help desk assistance is also provided.



## Government Policy Requirements

### Corruption Prevention

The Ombudsman's office is committed to operating with a high level of integrity, consistent with its role in promoting confidence in public administration.

#### **Strategy for Identifying, Managing and Preventing Misconduct and Corruption and Communication to Staff About Internal Corruption or Misconduct Notification Procedures**

The Ombudsman's office Code of Conduct has a strong emphasis on identifying, managing and preventing misconduct and corruption. This includes detailed definitions and procedures for:

- conflict of interest - this includes information on improper conduct for personal benefit, such as officers taking advantage of status or power to gain benefits for themselves;
- gifts - this includes how gifts to the office should be handled and registered;
- fraud - this includes information on fraud prevention; and
- confidentiality - this includes the requirement that staff take an oath or affirmation on confidentiality.

There is an internal policy and procedures for Public Interest Disclosures, which was implemented in 2005.

The office investigates complaints about public administration and handles Public Interest Disclosures relating to other agencies, which also raises awareness of these issues.

The high profile of these issues in the work of the office and the office's membership of the Integrity Coordinating Group and regular discussion on these matters, ensures staff are aware of:

- the integrity framework for the office, including the office's values, Code of Ethics, the office's Code of Conduct and internal Public Interest Disclosure procedures;
- internal notification procedures for dealing with complaints relating to misconduct and corruption, including the ability to raise matters as a Public Interest Disclosure; and
- those activities that constitute misconduct and corruption and the requirement to refer these matters to the Corruption and Crime Commission.

All staff, particularly those handling complaints and Public Interest Disclosures, are aware that matters may come to their attention from the rest of the sector that relate to misconduct and corruption. They are well informed about requirements to report these matters to the Corruption and Crime Commission. This maintains awareness of the nature of misconduct and corruption and reporting requirements for any of these matters that arise within the office.

Prevention of misconduct and corruption is supported by:

- a strong focus on integrity and conflict of interest issues in the Code of Conduct and a requirement to declare and address conflicts of interest; and
- internal checks and balances including quality checks and sign off of major decisions, such as recruitment and major purchases in accordance with the office's Instrument of Delegation for Chief Executive Officer functions.

### **Education of Staff and Inclusion of Misconduct and Corruption Policies in Management Development Activities**

Staff are aware of the revised Code of Ethics developed by the Commissioner for Public Sector Standards. The office adopts a continuous improvement approach to its Code of Conduct, including the conflict of interest provisions. Information about these documents is provided to new staff and is available on the office's intranet. Ethical awareness is reinforced through attendance by staff at presentations by guest speakers and relevant seminars and workshops. Senior staff are asked to declare any conflicts of interest at the commencement of management meetings and monthly staff meetings focus on and reinforce the application of the office's values.

### **Integration of Misconduct and Corruption Prevention into Agency's Risk Management System and Amendment of Agency Policies and Procedures**

Given the role of the office, the need to maintain its reputation by preventing misconduct and corruption is an important aspect of the office's risk management. Policies are regularly reviewed with a focus on integrity issues. In addition, any identification of a practice that may result in a risk of misconduct or corruption results in a review of relevant policies and practices to prevent it occurring.

Information security is a high priority for the office. The office also has an Information Security Policy and relevant risks and control strategies have been identified and implemented. The office's hard copy and electronic records management system and information technology networks have restricted access to sensitive records. Highly sensitive records are kept in independent lockable storage and are only accessible to relevant staff. Staff are made aware of their obligations relating to information security as part of the induction process and make an oath or affirmation that they will not inappropriately disclose information from the office's confidential records. The office has an Internet Usage Policy that informs staff about their responsibilities in using the internet.

## **Substantive Equality**

The Ombudsman's office does not currently have obligations under the Substantive Equality Framework as it is not a member of the Strategic Management Council. However, the office is committed to the objectives of the policy to eliminate systemic racial discrimination in the delivery of public services and promote sensitivity to the different needs of client groups.

The office's EEO/Diversity Management Plan 2007-2009 includes initiatives designed to eliminate systemic racial discrimination in the delivery of services, as well as promoting equal employment opportunity. The Ombudsman's office understands that cultural diversity in the workforce contributes to increased sensitivity by all staff to the different needs of client groups.

Planned initiatives to address both employment opportunity and improved services to customers include a review of the induction manual and procedures to include ways to cover requirements for a workplace that values diversity and is free of discrimination, harassment and victimisation. Staff involved in selection processes will be trained or retrained to raise awareness of how selection processes can be improved to meet the needs of people from EEO groups.

The office understands the importance of appropriate service delivery for people from diverse backgrounds. To ensure that services provided by the Ombudsman's office are as accessible as possible, all publications are available in alternative formats on request. Information published on the office website can be viewed and printed in alternative formats and TTY phone access is available for people with hearing impairment. The office also provides interpreter services to people who do not speak English.

The Child Death Review function will be transferred to the Ombudsman pending legislative changes. An approved budget for the function includes funding for an Indigenous person.

## Sustainability

### **Qualitative Summary Describing How Achieving Targets and Priority Areas Set in Sustainability Action Plans, Including But Not Limited to Sustainability Procurement**

Under the *Sustainability Code of Practice for Government Agencies*, departments of State and Senior Executive Service organisations are required to develop a Sustainability Action Plan. While it is not intended that the code apply to accountability agencies such as the Ombudsman's office, the office is committed to the principles in the Code of Practice and to ensuring agency operations support sustainability and encourage and empower staff to support it.

The Ombudsman's office is one of the top ten agencies for energy reduction with a saving of over 30 per cent from baseline data, as reported in the *Energy Smart Government 2006/07* publication produced by the Sustainable Energy Development Office.

The Ombudsman's office is collocated with the Office of the Public Sector Standards Commissioner. Energy efficient initiatives include:

- the attendance of all staff at awareness sessions where energy saving was promoted by the Ombudsman;
- motion sensors to control light circuits in offices, kitchens and meeting rooms;
- placement of Energy Smart stickers on all computer monitors and near light switches; and
- maintenance of master light switches on each floor, allowing the last staff member to turn off all lights before leaving.

Table 17 – Code of Practice Actions and Strategies

Action	Strategies
Planning, reporting and decision making are conducted in accordance with sustainability principles	<ul style="list-style-type: none"> <li>• Strategic and business planning is consistent with sustainability principles and actions in <i>Better Planning: Better Services</i>.</li> </ul>
Agency operations support sustainability	<ul style="list-style-type: none"> <li>• Procurement complies with the sustainability approach as outlined in the State Supply Commission's policies.</li> <li>• Service delivery is integrated with other accountability agencies through co-location arrangements and shared business services.</li> <li>• The office maximises paper recycling through use of recycle bins.</li> <li>• The office is highly conscious of energy consumption and has successfully reduced energy consumption over several years.</li> <li>• Travel and vehicle use are minimised through use of telephones and teleconference facilities where possible.</li> <li>• Sustainability considerations have been built onto office fit-outs, including use of lights that turn off when offices are empty and planned switching for separate switching for individual offices.</li> </ul>
Public sector employees are encouraged and empowered to support sustainability	<ul style="list-style-type: none"> <li>• Paper recycling and minimising use of energy were initially promoted personally by the Ombudsman and have been maintained through signs on recycling bins and light switches</li> </ul>

### Water Efficiency Management Plan

A representative from the Ombudsman's office attended the Water Corporation's Water Efficiency Measures for Government Agencies Briefing Session in March 2008 and the Water Challenger Software Training Session in May 2008. Development of a Water Efficiency Management Plan, detailing the initiatives that the office will take to improve water efficiency and increase staff awareness, is ongoing.

### Occupational Safety and Health

The office is committed to providing a safe and healthy work environment for all staff and visitors to the office. Training in emergency procedures, including building evacuation and first aid is regularly undertaken. The office regularly updates emergency contact information posters that include information from other collocated agencies. A first aid kit is available and first aid officers have been appointed and trained in the application of first aid techniques.

All staff have the opportunity to have their workstation assessed where required and assessments are undertaken of the home work environment for work from home arrangements.

The Joint Consultative Committee has worked on developing an injury management system in accordance with the requirements of the *Workers' Compensation and Injury Management Act*

1981. The office's injury management system details steps to take when a workplace injury occurs. The system ensures that injury management intervention occurs quickly and properly, so that injured workers can remain at work or return to work at the earliest appropriate time.

An employee assistance program provider is available to staff and their immediate family, to access confidential counselling services, if required.

There was one compensation claim processed during the year.

The Ombudsman's office Occupational Health and Safety Statistics for 2007-08 are shown in Table 18.

Table 18 - Occupational Health and Safety Statistics		
	2007-08 Target	2007-08 Actual
Number of fatalities	0	0
Lost time injury/diseases (LTI/D) incidence rate	0	0
Lost time injury severity rate	0	0

# Appendix 1 – Allegations Received and Outcome of Allegations Finalised By Public Authorities

## Departments and Authorities

Departments and Authorities	Allegations Received in 2007-08	Finalised at initial stage					Finalised by completed investigation or review					Allegations finalised in 2007-08 *
		No jurisdiction	Discretion exercised	Withdrawn or Not proceeded with	Finalised to complainant's satisfaction	Referred back to agency	Withdrawn or not proceeded with	Could not be determined	Sustained partly	Sustained wholly or substantially	Not sustained	
Attorney-General - Department of the	17	4	7	1	2	1	1				1	17
Australian Integration Management Services - Transport	2		1		1							2
Botanic Park & Gardens Authority	1		1									1
Builders' Registration Board	6	1	1								1	3
Building Disputes Tribunal	3		1									1
Central TAFE	6		4			1						5
Chemistry Centre	1		1									1
Child Protection - Department for	51	5	37		1	1	9		1		3	57
Communities - Department for	2			1		1						2
Consumer & Employment Protection - Department of	5	1	3									4
Corrective Services - Department of	264	15	187	11	1	28			2	1	3	248
Criminal Injuries Compensation - Chief Assessor of	1										1	1
Culture & the Arts - Department of	4		4									4
Curriculum Council	1						1		4		2	7
Curtin University of Technology	7		3				3		2			8
Disability Services Commission	1		1									1
Edith Cowan University	13		8			1			1	3	3	16
Education & Training - Department of	43	5	19	2		4	4	1	1	1	4	41
Electoral Commission	1		1									1
Electricity Corporations (Horizon Power, Synergy, Verve Energy and Western Power)	17	1	7			1	2				4	15
Environment & Conservation - Department of	6	2	2			1				1	1	7
Environmental Protection Authority	2		1									1
Equal Opportunity Commission	1	1										1
Fisheries - Department of	8	1	3									4
Gold Corporation	3					3						3
Government Employees Superannuation Board	5	1	2		2							5
GSL (Aust) Pty Ltd - Courts	1		1									1
GSL (Aust) Pty Ltd - Transport	7	1	4			2						7
Health - Department of	15	2	7			2			1	2	5	19
Housing and Works - Department of	49		36	1	3	2			2	2	9	55
Indigenous Affairs - Department of	2	1										1
Industry & Resources - Department of	1											

## Appendices

Departments and Authorities	Allegations Received in 2007-08	Finalised at initial stage					Finalised by completed investigation or review					Allegations finalised in 2007-08 *
		No jurisdiction	Discretion exercised	Withdrawn or Not proceeded with	Finalised to complainant's satisfaction	Referred back to agency	Withdrawn or not proceeded with	Could not be determined	Sustained partly	Sustained wholly or substantially	Not sustained	
Information Commissioner - Office of the	1	1										1
Insurance Commission of Western Australia	3		4									4
Kimberley TAFE	1											
Landcorp (Western Australian Land Authority)	1			1								1
Landgate	1		1									1
Legal Aid WA	5		2		1	1						4
Legal Practice Board	2		2									2
Legal Practitioners' Complaints Committee	4	1	3									4
Local Government - Department of	4		3	1								4
Main Roads WA	9		7				4				1	12
Medical Board of WA	6	1	3								1	5
Metropolitan Cemeteries Board	8											
Murdoch University	9		6			1				3	3	13
Nurses Board of WA	3		1								1	2
Organisation not identified	15	8	6									14
Planning & Infrastructure - Department for	48	3	25	1	4	5			1	5	3	47
Plumbers' Licensing Board			1									1
Prisoners' Review Board	2	1	1									2
Premier & Cabinet - Department of the	2		1									1
Psychologists' Board of WA	2	1										1
Public Advocate	2		2									2
Public Prosecutions - Director of	1	1										1
Public Transport Authority	10	1	7			1				3	1	13
Public Trustee	11		8								2	10
Racing, Gaming & Liquor - Department of	1		1									1
Real Estate and Business Agents' Supervisory Board	10		3			2						5
Rottneest Island Authority	1		1									1
SERCO - Acacia Prison	21		14			2					1	17
Settlement Agents' Supervisory Board	1		1									1
Sport Centre Trust											2	2
Swan TAFE	1		1									1
Totalisator Agency Board	1		1									1
Treasury & Finance - Department of	13		6				1				1	8
University of Western Australia	1		1				2				1	4
Water - Department of	2	1	2									3
Water Corporation	15	1	8		1	2	1			1	3	17
Western Australia Police	130	14	87	3	1	13			1	2	6	127
Western Australian College of Teaching	2		3									3

## Appendices

Departments and Authorities	Allegations Received in 2007-08	Finalised at initial stage					Finalised by completed investigation or review					Allegations finalised in 2007-08 *
		No jurisdiction	Discretion exercised	Withdrawn or Not proceeded with	Finalised to complainant's satisfaction	Referred back to agency	Withdrawn or not proceeded with	Could not be determined	Sustained partly	Sustained wholly or substantially	Not sustained	
Western Australian Industrial Relations Commission	2	1	1									2
Western Australian Planning Commission	2		1						2		2	5
Workcover	7	3	1	1								5
Worksafe	4	1	2			1						4
<b>Sub Totals (Depts. &amp; Authorities)</b>	<b>910</b>	<b>80</b>	<b>559</b>	<b>23</b>	<b>17</b>	<b>76</b>	<b>28</b>	<b>1</b>	<b>18</b>	<b>24</b>	<b>65</b>	<b>891</b>

\* Allegations finalised in 2007-08 may include allegations which were received in earlier financial years.



## Appendix 1 – Allegations Received and Outcome of Allegations Finalised By Public Authorities

### Local Governments

Local Governments	Allegations Received in 2007-08	Finalised at initial stage					Finalised by completed investigation or review					Allegations finalised in 2007-08 *
		No jurisdiction	Discretion exercised	Withdrawn or Not proceeded with	Finalised to complainant's satisfaction	Referred back to agency	Withdrawn or not proceeded with	Could not be determined	Sustained partly	Sustained wholly or substantially	Not sustained	
Albany - City of	3										3	3
Armadale - City of	6		3						1		2	6
Bassendean - Town of	1		1									1
Bayswater - City of	6		1			2				1	4	8
Beverley - Shire of			1									1
Boddington - Shire of	1			1								1
Bridgetown / Greenbushes - Shire of	2								1		1	2
Brookton - Shire of	1			1								1
Broome - Shire of											3	3
Bunbury - City of	7		5								1	6
Busselton - Shire of	2		1									1
Cambridge - Town of	4		6				1				2	9
Canning - City of	5	1	4					1			3	9
Chittering - Shire of	1								1		1	2
Claremont - Town of	4		3									3
Cockburn - City of	6	2	3				1		1			7
Collie - Shire of	2		1								1	2
Coolgardie - Shire of	1		1									1
Coorow - Shire of	1		1									1
Dandaragan - Shire of	1										1	1
Dardanup - Shire of	1		1									1
Denmark - Shire of	2		2								1	3
Donnybrook / Balingup - Shire of	1											
Dumbleyung - Shire of	2		2									2
East Pilbara - Shire of	1							1				1
Esperance - Shire of	1			1								1
Fremantle - City of	2				1	1						2
Geraldton - City of	2		1								1	2
Geraldton - Greenough Regional Council	2										2	2
Gingin - Shire of	3										3	3
Gosnells - City of	8		2	1		1			1		5	10
Harvey - Shire of	1		1									1
Jerramungup - Shire of	1		1									1
Joondalup - City of	9		4							3	2	9
Kalamunda - Shire of	4		2	2							1	5

## Appendices

Local Governments	Allegations Received in 2007-08	Finalised at initial stage					Finalised by completed investigation or review					Allegations finalised in 2007-08 *
		No jurisdiction	Discretion exercised	Withdrawn or Not proceeded with	Finalised to complainant's satisfaction	Referred back to agency	Withdrawn or not proceeded with	Could not be determined	Sustained partly	Sustained wholly or substantially	Not sustained	
Kalgoorlie / Boulder - City of	2		2									2
Kojonup - Shire of	1		1									1
Kwinana - Town of	1		1									1
Local Governments - multiple											1	1
Mandurah - City of	3		2									2
Manjimup - Shire of	1											
Melville - City of	12		4		1				2		4	11
Merredin - Shire of	1											
Mosman Park - Town of							1					1
Mundaring - Shire of	4		4		1							5
Murray - Shire of	1					1						1
Nannup - Shire of	1		1									1
Nedlands - City of	5		3								1	4
Northampton - Shire of	1		1									1
Peppermint Grove - Shire of	1										1	1
Perenjori - Shire of										1		1
Perth - City of	7	1	4			1			1		2	9
Pingelly - Shire of	1										1	1
Rockingham - City of	6		6									6
Serpentine / Jarrahdale - Shire of	2		1								2	3
South Perth - City of	3		1			1						2
Stirling - City of	12		6		1						5	12
Swan - City of	19		7	1		1		1			3	13
Toodyay - Shire of	3		1					1		2	2	6
Victoria Park - Town of	1								2	1		3
Vincent - Town of	8		5			2					1	8
Wanneroo - City of	4		2									2
Wyndham / East Kimberley - Shire of	4		1	1	1							3
York - Shire of	6		1	1		2					2	6
<b>Sub Totals (Local Governments)</b>	<b>204</b>	<b>4</b>	<b>101</b>	<b>9</b>	<b>5</b>	<b>12</b>	<b>3</b>	<b>4</b>	<b>10</b>	<b>8</b>	<b>62</b>	<b>218</b>
Organisation not within jurisdiction	135	135										135
<b>Grand Totals (Departments &amp; Authorities and Local Governments)</b>	<b>1249</b>	<b>219</b>	<b>660</b>	<b>32</b>	<b>22</b>	<b>88</b>	<b>31</b>	<b>5</b>	<b>28</b>	<b>32</b>	<b>127</b>	<b>1244</b>

\* Allegations finalised in 2007-08 may include allegations which were received in earlier financial years.

## Appendix 2 - Publications

The following publications are available electronically on the Ombudsman's website at [www.ombudsman.wa.gov.au](http://www.ombudsman.wa.gov.au) and in hard copy by request to [mail@ombudsman.wa.gov.au](mailto:mail@ombudsman.wa.gov.au):

### Brochures

Ombudsman Western Australia

### Guidelines and Fact Sheets

Being interviewed by the Ombudsman

How we assess your complaint

Assessment checklist

Requesting the review of a decision

Making a complaint to a State Government agency

Procedural fairness

Good record keeping

Dealing with unreasonable complainants

Overview of the complaint investigation process

Investigation of complaints

Guidelines for conducting administrative investigations

The Ombudsman's redress guidelines

Information for boards and tribunals

