



COMMONWEALTH
OMBUDSMAN



18 / 19

ANNUAL REPORT



COMMONWEALTH
OMBUDSMAN



18 / 19

ANNUAL REPORT

HIGHLIGHTS



Total contacts received
in 2018–19

was
50,237

↑ 5.6% ↑

increase from
2017–18



During 2018–19
we published

four investigation
reports across various
jurisdictions and
17 inspection reports



Implemented feedback loop
with the Department of Human
Services



We received 1,711 complaints

about the National Disability Insurance Agency,
12 per cent increase from 2017–18

(during the same period the National Disability Insurance
participants increased by 62 per cent)



As at 30 June we had made 515 recommendations to the Department of Education,

under the new VET FEE-HELP Redress Measures

We received 4,042 private health insurance complaints

this represents an 11 per cent decrease
form 2017-18



We delivered six activities during 2018-19

in the indo-pacific region with our international partners



457 PIDs were received by agencies, 289 investigations were finalised and 146 investigations

resulted in recommended action.



Credits

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Letter of transmittal (Transmittal Certificate)

1 October 2019

The Hon Christian Porter MP
Attorney-General
Parliament House
CANBERRA ACT 2600

Dear Attorney-General

I am pleased to present the 42nd Commonwealth Ombudsman Annual Report for the year ending 30 June 2019.

The report has been prepared for the purposes of s 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), which requires that I prepare an annual report to you for presentation to the Parliament.

The Annual Performance Statement has been prepared as required by paragraph 39(1)(a) of the PGPA Act. This annual performance statement accurately reflects my Office's performance for the 2018–19 financial year, and complies with subsection 39(2) of the PGPA Act.

The report includes the audited financial statements for my Office, prepared in accordance with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*.

In addition, I certify that I am satisfied my Office has appropriate fraud control mechanisms in place which meet our needs and comply with the PGPA Act, PGPA Rule and associated framework.

Yours sincerely



Michael Manthorpe PSM
Commonwealth Ombudsman

GUIDE TO THE REPORT

This report provides information on the activities, achievements and performance of the Office of the Commonwealth Ombudsman (the Office) for the 2018–19 financial year.

Part 1—Review by the Ombudsman

The Commonwealth Ombudsman Michael Manthorpe’s review of the year and the outlook for 2019–20.

Part 2—Overview of the Office

This outlines the roles and functions and organisational structure of the Office.

Part 3—Report on performance

An overview of our performance and financial performance for the 2018–19 financial year.

Part 4—What we do

Complaint management

- Complaints to our Office
- Accessibility of our services
- Complaint assurance initiatives

Oversight of government agencies

- Department of Human Services
- National Disability Insurance Agency
- Immigration Ombudsman
- Defence Force Ombudsman

Working with Law Enforcement

- Law Enforcement Ombudsman
- Inspections of covert, intrusive or coercive powers

Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment

Our role as an Industry Ombudsman

- Private Health Insurance Ombudsman.
- Postal Industry Ombudsman
- Vocational Education Training Student Loans Ombudsman
- Overseas Students Ombudsman

Working with International Partners

Part 5—Public Interest Disclosures

Part 6—Management and accountability

This outlines the Office’s governance and accountability arrangements including external scrutiny, management of human resources, procurement and asset management.

Part 7—Appendices

This includes statistics on the number of contacts and complaints received by the Office, Financial Statements, a report on compliance with the information publication scheme, entity resource statement, ecologically sustainable development

and environmental performance for the Office and correction of material errors in the previous annual report.

Part 8—References

This includes a glossary, a list of figures and tables contained in the body of the report, a compliance index and an alphabetical index.

Contacting the Ombudsman

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

If you would like to make a complaint, or obtain further information about the Ombudsman, you can contact us:

Online

Visit: ombudsman.gov.au

By phone

Call: 1300 362 072 between 9am and 5pm Monday to Friday. (*Note: this is not a toll-free number and calls from mobile phones are charged at mobile phone rates*).

Indigenous Line: 1800 060 789

In writing

GPO Box 442
Canberra ACT 2601

Services available to help you

If you are a non-English speaking person, we can help you through the Translating and Interpreting Service (TIS) on **131 450**. If you are hearing, sight or speech impaired, a TTY Service is available through the National Relay Service on **133 677**.

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01

**REVIEW BY THE
OMBUDSMAN**

Part 1—Review by the Ombudsman

I am pleased to introduce the annual report for the Office of the Commonwealth Ombudsman for 2018–19.

Being the Ombudsman starts with receiving complaints, but goes much further.

My Office takes complaints about the breadth of Australian Government administration, with the exception of matters pertaining to the Australian Taxation Office and the intelligence community. We also take complaints about several private sectors of the economy (such as Private Health Insurance). This year, we received the second largest number of complaints in the Office’s 40+ year history (i.e. 37,388 complaints that fell within our jurisdiction), only slightly down from last year’s record of 38,026.

Growth areas for complaints included the ongoing roll-out of the National Disability Insurance Scheme and complaints from students or former students about debts they incurred under the VET FEE-HELP Scheme. In absolute terms, we received more complaints about the Department of Human Services than any other agency, although these numbers fell from 12,595 to 11,653 compared to last year. Complaints about Private Health Insurers and Australia Post also fell, while complaints from overseas students in our capacity as Overseas Students Ombudsman grew.

Complaints comprise the majority of, but not all, contacts to the Office. This year we received a record number of contacts (i.e. 50,237, compared to 47,557 last year) from members of the public. This number swelled towards the end of the year

after our announcement that we would examine an aspect of the administration of the Defence Force Retirement and Death Benefits Scheme, which generated over 3,000 submissions from veterans.

Over the years, as well as receiving complaints about a wide range of entities, we have also assumed a disparate array of other functions where there is a public interest in independent oversight.

As Defence Force Ombudsman we receive reports about alleged abuse in the Australian Defence Force, much of which is historic in nature but each case of which requires careful, trauma-informed engagement. We make recommendations to Defence about reparation payments and provide access to counselling or restorative engagement conferences to reportees. We have also commenced periodic “health checks” of Defence policies and procedures that are aimed to prevent abuse within its ranks and contribute to cultural change.

As Immigration Ombudsman we inspect detention facilities, report regularly and make recommendations to the relevant Minister about long-term detention cases, and take complaints about matters such as delays in visa and citizenship decision-making.

As Law Enforcement Ombudsman, we take complaints about the Australian Federal Police. We also perform a growing portfolio of inspectorial and reporting roles about the way in which Federal and (at times) state law enforcement bodies exercise covert or intrusive powers under Commonwealth legislation. Our work grew in this area in 2018–19 as a result of the passage

of the *Telecommunications and Other Legislation Amendment (Assistance and Access) Act 2018*.

This year too we commenced work as the National Preventive Mechanism Coordinator, pursuant to Australia's ratification of the Option Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT). This work, for the first time, brings us into an area of Commonwealth-State relations under the auspices of the United Nations, as we seek to progress Australia's implementation of OPCAT. Ratification of OPCAT requires Commonwealth, State and Territory governments to put in place appropriate bodies to undertake independent inspections of places of detention. Building on our long-standing immigration detention inspection role, we began work to enhance our methodologies in that setting, and to scope how we may undertake inspections of places of detention administered by Defence and the AFP. We also undertook extensive engagement with State and Territory inspecting bodies and, at time of writing, are close to finalising a report about Australia's readiness to implement this important international commitment.

We continue to oversee the *Public Interest Disclosure Act 2013* and form part of a wider group of integrity agencies across the Commonwealth.

We play a small but important role in regional capability development, through DFAT-funded programs in Indonesia, Papua New Guinea, Samoa and the Solomon Islands that aim to support the work of Ombudsman-like institutions in those countries.

As a result of a longstanding arrangement between the Commonwealth and ACT Governments, my Office also fulfils the role of ACT Ombudsman, which also brings with it a disparate set of functions.

I report on these matters in a separate annual report to the ACT Legislative Assembly.

It is a privilege to occupy the office of Commonwealth Ombudsman.

As an independent oversight agency, we are not subject to direction by Ministers or the Parliament, except as stipulated by statute. While we report regularly to, and appear before, various parliamentary committees about issues of mutual interest, we have considerable discretion to determine what individual cases or broader systemic issues we examine and report on.

However, being the Ombudsman also brings with it various challenges.

Although the Office has grown significantly in recent years, as government or Parliament has vested more functions in us, the sheer volume of complaints means that we cannot investigate all of them.

Even where we do, and although we have strong powers to access material and people to enable us to investigate, under the Ombudsman Act we cannot direct agencies to change administrative decisions and nor can we investigate the actions of Ministers. Our focus is more on maladministration rather than policy.

It is undoubtedly the case that in many instances we can achieve a positive outcome for individual complainants – a change in decision by an agency, the removal of a debt, a payment of compensation or reparation, a quick decision when there had been a delay, an apology, or even just a plain English explanation of a decision. However, in many instances, a formal investigation may not be the best course of action. Many times, the best assistance we can realistically provide is to refer complainants back to the agency that is subject to their complaint, to provide the agency the opportunity to deal with the issue. Even then, in some cases the relevant agency cannot change its decision in relation to a matter because it has in fact upheld the law.

Given all of these operating parameters, I have spent 2018–19 contemplating these questions: What is the best we can do? How can we achieve meaningful systemic influence? What can we aspire to achieve for people who seek our help? How will we know when we get there? And how might our work contribute in some way to arresting the much-reported slide in public trust in institutions?

In response to these questions, we have sought to take a more strategic approach to when we allocate scarce resources to systemic investigations. While we cannot investigate every individual complaint, we can sometimes draw on individual matters to produce reports and recommendations that have systemic impact. During the year we produced reports on the administration of the Department of Veterans' Affairs, the Department of Human Services and the Department of Home Affairs on topics that illustrate this point, and more work is underway pertaining to the NDIS, Defence and elsewhere. We also worked hard with the Department of Education and Training to identify a systemic remedy for many people who have incurred debts under the VET FEE-HELP program, and we are now working through the very large caseload of complainants to identify which cases are eligible for the remedy, i.e. a waiver or remittal of the debt.

Because we are unable to investigate every individual matter that comes to us, this year we also stepped up our efforts to gain assurance about the way in which agencies to whom we refer complainants deal with them. This has taken the form of increased education and training of complaint-handling areas of major agencies; the commencement of a "complaint assurance project" where we work with agencies to assess the effectiveness of their complaint-handling activities; the development of "feedback loops" so that for certain cohorts of complainants we seek feedback on the outcome of complaints from

agencies when we refer complainants back to them; and we have commenced work to survey complainants and agencies of their experience of dealing with the Office.

We have also undertaken a re-examination of our performance measures which, among other things, concluded that to be as effective as we can be, we need to build and maintain the confidence of people who contact us; the agencies we oversee; and the Parliament. Ideally, all three of these groups would perceive that we are independent and professional; that our interventions are timely and useful; that our recommendations are balanced and evidence-based. From next year, we will seek to capture performance information against those broad goals, and report accordingly.

As our role has expanded, we are also placing a renewed focus on our internal corporate capability, to ensure that our internal technology, people, financial, security and property services and settings are supporting all that we do. This year, for example, we have introduced a new wellbeing program for our staff, whose work often requires difficult conversations about confronting subject matter. We have successfully increased the representation of Aboriginal and Torres Strait Islander people in our workforce and we have taken other steps to enhance inclusion. I am very pleased that our annual staff survey results have placed us in the top quartile of APS agencies on staff engagement and wellbeing.

Looking forward, we have a busy year ahead.

We have noted the re-elected government's commitment to service delivery and will look to identify opportunities that we see in complaints to make recommendations about how service delivery can be improved.

We will work with relevant agencies to oversee the implementation and administration of the National Disability Insurance Scheme Service Guarantee.

As part of a wider network of integrity agencies, we will look for opportunities to play a constructive role in advancing systemic integrity including – potentially – in the context of the creation of a new Commonwealth Integrity Commission.

And we will continue working on all of the other matters I have mentioned above.

Of course none of our work, last year or in the year ahead, would be delivered without the commitment and dedication of the Office’s hard-working staff. I thank them sincerely for their efforts.



Michael Manthorpe PSM

Commonwealth Ombudsman



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02

**OVERVIEW OF
THE OFFICE**

Part 2—Overview of the Office

Roles and function

The Office of the Commonwealth Ombudsman is a non-corporate Commonwealth entity established under the *Ombudsman Act 1976* (the Act). The Commonwealth Ombudsman has the following major functions:

- complaint management
- oversight of Commonwealth agencies
- oversight of prescribed private sector organisations.
- oversight of the Commonwealth Public Interest Disclosure Scheme
- responding to reports of serious abuse within Defence
- OPACT NPM Coordinator and Commonwealth NPM
- Inspections of certain covert and intrusive powers by law enforcement bodies.

The Commonwealth Ombudsman has jurisdiction over all Commonwealth entities and their contracted service providers, subject to some specific statutory exclusions (i.e. the Australian Taxation Office and intelligence agencies). The Office also oversees the activities of a range of private sector organisations, including:

- private health insurers
- postal operators that elect to register with the Postal Industry Ombudsman scheme
- some providers of education services.

The Commonwealth Ombudsman has the following separate titles that describe specific functions and powers:

- Defence Force Ombudsman (DFO)—to investigate actions arising from the service of a member of the Australian Defence Force (ADF). The DFO can investigate complaints from current or former members of the ADF about administrative matters relating to Defence agencies. Since 1 December 2016, the DFO’s functions were expanded to provide an independent mechanism to report serious abuse in Defence.
- Immigration Ombudsman—to investigate complaints and undertake own motion investigations about the Department of Home Affairs. The Ombudsman inspects immigration detention facilities and has a specific statutory reporting function to report to the Minister about people who have been detained for more than two years.
- Law Enforcement Ombudsman—to investigate the conduct and practices of the Australian Federal Police (AFP) and its members. Under the *Australian Federal Police Act 1979 (AFP Act)*, the Ombudsman is required to review the administration of the AFP’s handling of complaints through inspection of AFP records. The results of these reviews must be provided to Parliament on an annual basis.
- Postal Industry Ombudsman (PIO)—to investigate complaints about Australia Post and private postal operators that elect to

register with the Postal Industry Ombudsman Scheme.

- Overseas Students Ombudsman (OSO)—to investigate complaints from overseas students about private education providers in Australia. The OSO also gives private registered providers advice and training on best practice for handling complaints from overseas students.
- Private Health Insurance Ombudsman (PHIO)—to protect the interests of private health insurance consumers. This is done in a number of ways, including dispute resolution, identifying systemic issues within the practices of private health funds and providing advice and recommendations to government and industry. The PHIO can deal with complaints from health fund members, health funds, private hospitals or medical practitioners. However, complaints must be about a health insurance arrangement.
- VET Student Loans Ombudsman (VSLO)—to investigate complaints from students studying a diploma, advanced diploma, graduate certificate or graduate diploma course and who have accessed the VET FEE-HELP or the VET Student Loans programs to cover the

cost of their studies in full or in part. The VSLO also provides vocational education and training providers with advice and training on best practice complaint-handling.

The Commonwealth Ombudsman is also the ACT Ombudsman. The ACT Ombudsman’s role is delivered by the Office of the Commonwealth Ombudsman under an agreement between the ACT Government and the Commonwealth Ombudsman. The Ombudsman can deal with most complaints involving the administrative actions of the ACT Government agencies and police. The legislation governing the Ombudsman authorises us to investigate complaints about or issues related to:

- ACT Government agencies
- Reportable Conduct Scheme
- ACT Police
- Freedom of Information
- Public Interest Disclosures

Additional information is available in the ACT Ombudsman Annual Report 2018–19.

Accountable authority

Period as the accountable authority or member

NAME	Position Title/ Position held	Date of Commencement	Date of cessation
Michael Manthorpe PSM	Commonwealth Ombudsman	8 May 2017	-

Organisational structure

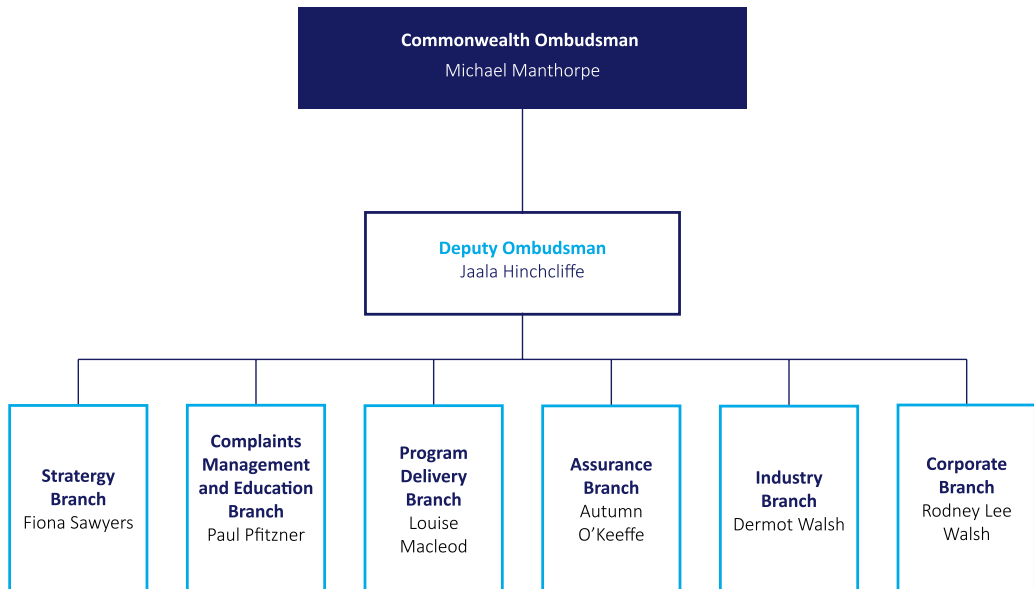
The Office is located in Adelaide, Brisbane, Canberra, Melbourne, Perth and Sydney.

The Ombudsman and Deputy Ombudsman are statutory officers appointed under the

Ombudsman Act 1976. Employees are engaged pursuant to the *Public Service Act 1999*. The Senior Assistant Ombudsman and Chief Operating Officer are Senior Executive Service Band 1 employees.

The Executive and Senior Management structure is provided at Figure 1.

Figure 1—Executive and Senior Management structure at 30 June 2019



Senior Leadership Group



Senior Leadership Group (L to R): Paul Pfitzner, Louise Macleod, Jaala Hinchcliffe, Michael Manthorpe, Dermot Walsh, Fiona Sawyers, Rodney Lee Walsh and Autumn O'Keeffe. Photo taken in May 2019.

Michael Manthorpe—Commonwealth Ombudsman



Michael Manthorpe PSM was appointed by the Australian Government to the role of Commonwealth Ombudsman for a five year term commencing on 8 May 2017. He is the 10th Commonwealth Ombudsman since the

Office's inception in 1977.

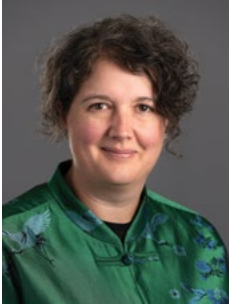
Prior to his appointment, Michael was a career Australian public servant. He is a generalist, who studied journalism and history at the University of Queensland in the 1980s, and worked for different governments on a variety of public policy and program issues over the years. Most recently,

he held Deputy Secretary level positions at the then Department of Immigration and Border Protection, where he was responsible for the global delivery of Australia's visa, citizenship and refugee programs. For 25 years he worked in the Education, Employment and Workplace Relations portfolios. He is fascinated by the way in which large complex administrative systems interact with and serve people, and how this can occur in the best possible way.

He was awarded the Public Service Medal in 2010 for his leadership of the government's handling of the insolvency of ABC Learning childcare centres.

Michael is on the executive of the Australia New Zealand Ombudsman Association (ANZOA), and is a Deputy President and councillor of the ACT Branch of the Institute of Public Administration Australia (IPAA).

Jaala Hinchcliffe—Deputy Ombudsman



Jaala Hinchcliffe was appointed to the position of Deputy Commonwealth Ombudsman on 6 November 2017. Prior to joining the Office, Jaala worked at Parliament House with the Department

of Parliamentary Services, where she headed the People and Governance Branch, which was responsible for a range of corporate functions.

Jaala spent a significant portion of her career with the Commonwealth Director of Public Prosecutions where, for 15 years, she worked across a range of legal functions, including as Senior Executive for Law Reform, Policy and Strategic Review and Reform.

Jaala has been engaged in a number of community organisations in the ACT, including as a board member for Palliative Care ACT. She is currently a member of the National Executive for the Australian Institute of Administrative Law. She studied Arts and Law at the Australian National University and was admitted to practice as a Legal Practitioner in the ACT in 2000.

Fiona Sawyers—Senior Assistant Ombudsman, Strategy Branch



Fiona Sawyers joined the Office in July 2017. Prior to joining the Office, Fiona held leadership roles in a variety of Commonwealth agencies and departments, including most recently in Indigenous education

at the Department of the Prime Minister and Cabinet.

Fiona has over 20 years' experience in social policy and program management, primarily at the Department of Social Services and its predecessors, where she has worked on welfare and family payments, disability policy and housing support. Fiona's experience spans program management and implementation, research and evaluation and policy development.

Fiona has lived and worked in rural NSW and in Canberra, and studied English literature and politics at the University of New South Wales.

Louise Macleod—Senior Assistant Ombudsman, Program Delivery Branch



Louise joined the Office in July 2016. Her public service career spans over 16 years in various leadership roles, conducting investigations, compliance monitoring and dispute resolution in agencies such as the

Administrative Appeals Tribunal, the Australian Competition and Consumer Commission, the Energy and Water Ombudsman Victoria, the Queensland Justice and Attorney-General's Dispute Resolution Centres and the Family Court of Australia. Prior to this, Louise spent seven years as an officer in the Australian Army and served on operations in East Timor. Louise is a lawyer and mediator by training.

Paul Pfitzner—Senior Assistant Ombudsman, Complaints Management and Education Branch



Paul Pfitzner joined the Office in September 2016 as part of the expansion of the Defence Force Ombudsman jurisdiction relating to reports of serious abuse within Defence. He established the Office's processes for responding to reports of

serious abuse in Defence and has also previously had executive responsibility for the work of the ACT Ombudsman. He has been in his current role since March 2019.

Paul is a lawyer by training and has been in the Commonwealth public service since 2003. Prior to joining the Office, he held senior roles in the Attorney-General's Department in legal policy relating to human rights, legal services, national security and criminal justice.

Autumn O'Keeffe—Senior Assistant Ombudsman, Assurance Branch



Autumn O'Keeffe joined the Office in June 2018 as the Senior Assistant Ombudsman for the Assurance Branch. Autumn is a lawyer by training and commenced her public service career in 2004 at the Australian

Competition and Consumer Commission where she worked on a range of issues including petrol price fixing, cartel behaviour and product safety.

Immediately prior to joining the Office Autumn worked at the Attorney-General's Department for 12 years in a wide variety of legal and policy areas

including civil law, private international law, royal commissions, criminal justice and family law. In 2017 Autumn was a member of the delegation for Australia's appearances before both the Committee for the Elimination of Racial Discrimination and the Human Rights Committee.

Dermot Walsh—Senior Assistant Ombudsman, Industry Branch



Dermot Walsh joined the Office in 2014. He is currently responsible for the Office's industry ombudsman functions, including: private health insurance, postal industry, overseas students and VET student loans.

Before joining the Office, Dermot held leadership roles in both the Commonwealth and ACT Public Service, in a diverse range of organisations including: the ACT Land Development Agency, the ACT Economic Development Directorate, Comcare, the National Gallery of Australia, the Defence Service Homes Insurance Scheme and the Department of Veterans' Affairs.

Dermot has a Bachelor of Commerce, is a Fellow member of CPA Australia and a member of the Australian Institute of Company Directors.

Rodney Lee Walsh—Chief Operating Officer, Corporate Branch



Rodney Lee Walsh joined the Office in July 2011. He is currently responsible for the agency's corporate functions and the Public Interest Disclosure Scheme.

Rodney is a lawyer and mediator. He has held a range of SES roles since 2005 including IT applications development, senior executive lawyer (administrative law), organisational strategy, workplace relations and national employment programs.



ANNUAL PERFORMANCE STATEMENT

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FINANCIAL PERFORMANCE

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03

**REPORT ON
PERFORMANCE**

Part 3—Report on Performance

Annual Performance Statement

Statement of Preparation

I, as the accountable authority of the Office of the Commonwealth Ombudsman (the Office), present the 2018–19 Annual Performance Statement of the Office, as required under paragraph 39(1) (a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act.

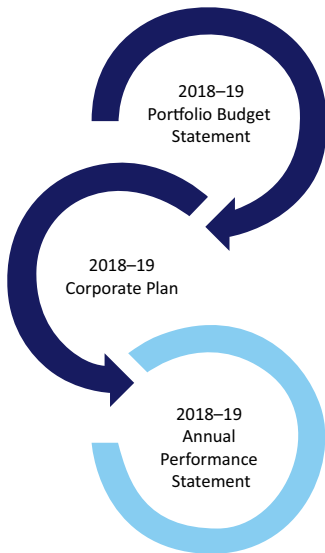


Michael Manthorpe PSM

Commonwealth Ombudsman

Performance Framework

This annual performance statement provides details of the Office’s performance against the measures in our 2018–19 Portfolio Budget Statement and our 2018–19 Corporate Plan.



Our outcome for this period is *‘Fair and accountable administrative action by Australian Government entities and prescribed private sector organisations, by investigating complaints, reviewing administrative action and statutory compliance inspections and reporting’*.¹

Our purpose is to:

- Provide assurance that the Australian Government entities and prescribed private sector organisations that the Office oversees act with integrity and treat people fairly.
- Influence enduring systemic improvement in public administration in Australia and the region.

Our 2018–19 objectives reflected our activities towards achieving our purpose and outcome.



The Office has established 12 Key Performance Indicators (KPIs) that enabled the measurement of our performance in achieving our outcome. The results and subsequent analysis of our performance are presented within this statement.

1 Office of the Commonwealth Ombudsman, Portfolio budget statements 2018–19, Prime Minister and Cabinet, Canberra, 2018.

2018–19 Office Results

Our activities towards our objectives and purpose yielded the following end of 2018–19 financial year results:

Objective	Key Performance Indicator	Target	Year End Result
Influence Australian and Australian Capital Territory Government entities to improve public administration and complaint-handling systems through public reports, recommendations and direct engagement	KPI 1. Percentage of recommendations made in public reports accepted by entities	75%	100%
	KPI 2. Percentage of stakeholders which participated in engagement activities who provided an average of 'satisfied' or 'very satisfied' rating in feedback forms/surveys	90%	95.8%
Provide an efficient, effective and accessible government complaint-handling service	KPI 3. Percentage of government complaints finalised within the Office's service standards	85%	89%
Undertake oversight and assurance activities relating to the integrity of Australian Government entities, Australian Capital Territory Government entities and prescribed private sector organisations	KPI 4. Percentage of Office statutory requirements in relation to Commonwealth public interest disclosures met	100%	100%
	KPI 5. Percentage of Office statutory requirements in relation to law enforcement met	100%	100%
	KPI 6. Percentage of public law enforcement reports finalised within Office standards	85%	50%
	KPI 7. Percentage of reports on long term detention cases sent to the Minister within 12 months of the review being received from the Department of Home Affairs	90%	96.8%
	KPI 8. Percentage of immigration detention State of the Network reports issued within three months of the reporting cycle	90%	50%

Objective	Key Performance Indicator	Target	Year End Result
Provide effective and impartial industry complaint-handling services and provision of consumer information	KPI 9. Percentage of public users who completed the survey for privatehealth.gov.au and provided a 'satisfied' or 'very satisfied' response regarding the quality of information provided by the website	80%	78%
	KPI 10. Percentage of industry complaints handled within Office service standards	85%	69%
Deliver capacity building programs under the Australian Aid arrangements to support Ombudsmen and allied integrity bodies improve governance and accountability	KPI 11. Percentage of outputs delivered under the Australian Aid arrangements	80%	92%
	KPI 12. Percentage of stakeholders which participated in activities delivered under Australian Aid arrangements who provided an average of 'satisfied' or 'very satisfied' rating in the feedback forms/surveys	90%	100%

Objective 1—Influence Australian and Australian Capital Territory Government entities to improve public administration and complaint-handling systems through public reports, recommendations and direct engagement

KPI 1—Percentage of recommendations made in public reports accepted by entities.

Source—2018–19 Corporate Plan, pages 14 and 15.

Measurement Methodology	Total number of recommendations identified within public reports which have been accepted or partially accepted during 2018–19	KPI Target	KPI Result
	Total number of recommendations in public reports during 2018–19	75%	100%
	32/32= 100 per cent		

One of the ways in which we measured our achievements against Objective 1 is through recommendations the Office made in public reports being accepted by the entities to which we made them. In providing oversight of government entities public administration and complaint-handling systems this Office can identify and report on the effectiveness of government programs and systems. The Office published four reports in 2018–19, and made 32 recommendations within the reports. All 32 recommendations were accepted by the various agencies:

- Investigation into the Actions and Decisions of the Department of Veteran’s Affairs (DVA) in Relation to Mr A—the six recommendations made by this Office were accepted by DVA.
- Centrelink’s Automated Debt Raising and Recovery System—the four recommendations made by this Office were accepted by the Department of Human Services.
- Public statement about a reportable conduct investigation—the seven recommendations made by this Office were accepted by the ACT Education Directorate.

- Preventing the immigration detention of Australian citizens—the 15 recommendations made by this Office were accepted by the Department of Home Affairs.

Of note is the Office finalising its first investigation into an organisation’s handling of an allegation of reportable conduct under the ACT Reportable Conduct Scheme in October 2018. This investigation concerned the ACT Education Directorate and the Ombudsman made seven general recommendations relating to how the Directorate fulfils its obligations under the scheme. The Ombudsman published a statement about the investigation on the basis that many of the issues identified in the investigation would be of interest to other organisations covered by the scheme. The Office noted the Education Directorate’s assistance and cooperation during this investigation and is working with the Directorate to support its implementation of the recommendations.

In April 2018, the Office published a report titled ‘Review of Australia Post complaints about carding, Safe Drop and compensation’. The report made six recommendations to Australia

Post highlighting areas where performance could be improved. The Office is monitoring the recommendations and in June 2019 published a report titled 'Follow-up report on Australia Post's response to the Ombudsman's recommendations. A report on Australia Post's implementation of the Commonwealth Ombudsman recommendations from review of Australia Post complaints about

carding, safe drop and compensation (April 2018)'. The Office is of the view that Australia Post has made significant progress in addressing the report recommendations. We also note the number of actions already underway will take time to fully implement. The Office will continue to monitor the implementation process.

KPI 2—Percentage of stakeholders which participated in engagement activities who provided an average of 'satisfied' or 'very satisfied' rating in feedback forms/surveys.

Source—2018-19 Corporate Plan, pages 14 and 15.

Measurement	Number of stakeholder engagement activity survey responses that average 'satisfied' or 'very satisfied' overall	KPI Target	KPI Result
Methodology	Total number of respondents who participate in the survey	90%	95.8%
	452/472= 95.8 per cent		

Stakeholder engagement is another way the Office measures achievements against Objective 1. Engagement activities enable this Office to work directly with government and private sector entities and community stakeholders to support purposeful and meaningful public administration and complaint-handling systems. We obtain feedback from the stakeholders to help ensure our engagement is appropriate and useful. In 2018-19, the Office delivered 21 engagement activities with 472 stakeholder participants providing survey responses, of which 452 were 'satisfied' or 'very satisfied'. Engagement activities included:

- PID Authorised Officer Forums
- ACT Freedom of Information Practitioner's Forum
- Education provider training
- Complaint-handling Workshops
- Working with the Ombudsman Information Sessions
- Commonwealth Complaint-Handling Forum
- Reportable Conduct Scheme Information Sessions

Objective 2—Provide an efficient, effective and accessible government complaint-handling service

KPI 3—Percentage of government complaints finalised within the Office's service standards.

Source—2018–19 Corporate Plan, page 16.

Measurement Methodology	Total number of government complaints and other contacts closed within Office service standard	KPI Target	KPI Result
	Total number of government complaints and other contacts closed	85% ²	89%
	24,009/27,061= 89 per cent		

One of the main functions of the Office is to receive and assess complaints and other contacts about the actions of Australian and ACT Government agencies and prescribed private sector organisations we oversee. Objective 2 is focussed on how we handle complaints we receive about Commonwealth and ACT Government

agencies, while our private sector complaint and dispute resolution process is part of Objective 4.

In 2018–19, we have measured our complaint-handling service by the timeliness of number of complaints and other contacts finalised within service standards. For that period, our service standards were as follows:

Type of complaint	Service standard
Complaints able to be finalised in a single contact (where the matter is out of jurisdiction or where we can refer the person to a more preferable complaint pathway, such as with the agency being complained about)	Within 3 working days
Complaints requiring further analysis, but not formal investigation	Within 14 days
Complaints requiring investigation, including engagement with the agency concerned	Within 90 days
Complex complaints requiring detailed investigation, including multiple engagements with the agency concerned	Within 180 days
Complaints resulting in a formal report to the agency and minister	Within 12 months

2 This KPI target is taken from the Office of the Commonwealth Ombudsman Portfolio budget statements 2018–19, Prime Minister and Cabinet, Canberra, 2018. We note that the KPI target, 90 per cent, listed on page 15 of the Office of the Commonwealth Ombudsman 2018-22 Corporate Plan is incorrect – the correct target of 85 per cent is listed on page 16.

The Office is challenged each year by large volumes of complaints and other contacts. This year we finalised 27,061 government complaints and other contacts (for example contacts about matters outside of our jurisdiction, and other enquiries to our Office, such as FOI applications or media enquiries). Of those complaints and other contacts, 24,009 were finalised within the above service standards. This success can in part be attributed to a focus during the year on streamlining our processes through the application of lean methodology. For example, we identified and removed numerous instances of duplication and inefficient practice, and restructured our complaints management teams to realise more efficiencies by grouping like tasks together.

The Office continues to look for ways to further improve complaint-handling processes across the Office, consistent with the lean focus on continuous improvement. This includes streamlining processes to improve the timeliness of assessments and subsequent recommendations

in the assessment of reports of abuse under the Defence Reparation Scheme, and assessments under s 486O of the *Migration Act 1958* of the circumstances of people held in immigration detention.

For 2019–20, the Office is developing new service standards for each of our different complaint-handling and similar roles. Based on confidence intervals, these standards will provide greater transparency as to the likely amount of time particular processes will take, recognising that there are different processes for each of our different functions.

The Office also notes that timeliness is only one component of a successful complaint-handling service. For 2019–20 and beyond, we have expanded our KPI framework to complement timeliness measures with a measure of complainant satisfaction. We are also looking at other ways to measure the effectiveness of our service by reference to the outcomes we achieve.

Objective 3—Undertake oversight and assurance activities relating to the integrity of Australian Government entities, Australian Capital Territory Government entities and prescribed private sector organisations

KPI 4—Percentage of Office statutory requirements in relation to Commonwealth public interest disclosures met.

Source—2018–19 Corporate Plan, pages 14 and 15.

Measurement Methodology	Number of statutory requirements met	KPI Target	KPI Result
	Total number of statutory requirements to be met	100%	100%
	63/63= 100 per cent		

The Office has an important role in providing oversight of and reporting on the PID scheme in meeting Objective 3. Under the *Public Disclosure Act 2013* the Office must use best endeavours to decide the allocation of a disclosure within 14 days after the disclosure is made to an authorised officer. Of the 63 disclosures received in 2018–19, 17 matters were allocated within 14 days while the remaining were allocated using best endeavours.

Allocation decision that took longer than 14 days were due to various reasons including the complexity of the matter, waiting for further information from the discloser and awaiting for agencies to accept an allocation.

As part of the reworking of our KPI framework for 2019–20, we have developed additional service standards which will apply to our PID functions.

KPI 5—Percentage of Office statutory requirements in relation to law enforcement met.

Source—2018–19 Corporate Plan, pages 14 and 15.

Measurement Methodology	Number of law enforcement statutory requirements met	KPI Target	KPI Result
	Total number of law enforcement statutory requirements to be met	100%	100%
	3/3= 100 per cent		

The Office is responsible for overseeing approximately 20 law enforcement agencies and their use of certain covert and intrusive powers as parliament intended. Under certain legislation including *Telecommunications (Interception and Access) Act 1979* (TIA), *Surveillance Devices Act 2004* (Cth) and *Crimes Act 1914* (Cth) the Office can inspect records and investigate practices of law enforcement agencies.

The Surveillance Devices Act and Chapter 2 of the TIA Act both set out specific timeframes within which the Ombudsman is required to provide the Minister with reports about the Office’s inspection activities during the relevant period. KPI 5 measures the Office’s performance against these

statutory requirements. Other inspection regimes have less prescriptive reporting requirements—see KPI 6.

In 2018–19, the Office met the statutory requirements in relation to law enforcement in finalising two Surveillance Devices six monthly reports (finalised in September 2018 and March 2019) and the Telecommunications Interceptions 2017–18 annual report (finalised in September 2018) within the statutory timeframes.

KPI 6—Percentage of public law enforcement reports finalised within the statutory/Office standards.

Source—2018–19 Corporate Plan, pages 14 and 15.

Measurement Methodology		KPI Target	KPI Result
A = no. of public law enforcement reports finalised during the reporting period that were completed within the statutory/Office standard		85%	50%
B = total no. of public law enforcement reports finalised during the period			
A/B= 3/6= 50 per cent			

Another of our oversight functions in achieving Objective 3 is the finalising of public law enforcement reports within statutory or Office standards. KPI 6 reflects the Office’s overall performance in publicly reporting on its law enforcement compliance functions, by including both those reports with statutory timeframes (included at KPI 5) and those reports that are due to the Minister ‘as soon as practicable’ after 30 June of the relevant year. For this second group of reports, the Office has applied an internal timeliness standard of three months; that is, by 30 September of the relevant year.

In 2018–19 the Office finalised three public law enforcement reports within the statutory timeframe while another three reports were not completed within the internal timeliness standard. This was due to resourcing issues within the team which carried over from 2017–18. We do not anticipate similar difficulties in 2019–20.

In addition to these high level public reports, as soon as possible following each inspection the Office provides the agency with a written report that sets out our observations and findings

and, where appropriate, makes suggestions or recommendations for improvement. While our current performance measures do not specifically address the timeliness of these agency reports, we recognise this is a core element of the Office’s inspection role and we intend to apply and track internal timeliness standards in 2019–20.

Reports finalised within the statutory/Office standards:

- Surveillance Devices six monthly report (January–June 2018)—due 30 September 2018, finalised 25 September 2018—within statutory timeframe
- Telecommunications Interceptions 2017–18 annual report—due 30 September 2018, finalised 25 September 2018—within statutory timeframe
- Surveillance Devices six monthly report (July–December 2018)—due 31 March 2019, finalised 29 March 2019—within statutory timeframe

Reports not finalised within the statutory/Office standards:

- Chapters 3 and 4 of the *Telecommunications (Interception and Access) Act 1979*—for the period 1 July 2017 to 30 June 2018, due as soon as practicable after 30 June 2018, finalised March 2019—outside internal timeliness standard
- Part V of the *Australian Federal Police Act 1979*—for the period 1 July 2017 to 30 June 2018, due as soon as practicable after 30 June 2018, finalised May 2019—outside internal timeliness standard
- Annual report under Part IAB of the *Crimes Act 1914*—for the period 1 July 2017 to 30 June 2018, due as soon as practicable after 30 June 2018, not yet completed—outside internal timeliness standard.

KPI 7—Percentage of reports on long term detention cases sent to the Minister within 12 months of the review being received from the Department of Home Affairs.

Source—2018–19 Corporate Plan, pages 14 and 15.

Measurement Methodology		KPI Target	KPI Result
	Total number of reports on long term detention cases (s 486O) sent to the Minister during 2018–19 within 12 months of s 486N reports being received from the Department	90%	96.8%
	Total number of reports on long term detention cases sent to the Minister during 2018–19		
	1,001/1,034= 96.8 per cent		

The Office provides oversight and assurance in the area of long term detention. The *Migration Act 1958* requires the Office to review the cases of people held in immigration detention for two years or more. Section 486N of the Act requires the Department of Home Affairs to provide a report to this Office within 21 days of a person being in detention for two years (if a person remains in detention, the department must provide new reports to this Office every six months). This Office will provide the Immigration Minister with an assessment of the appropriateness of the person's detention arrangements under s 486O of the Act.

Of the 1,034 reports which formed the basis of our assessments sent to the Minister in 2018–19, the Office provided assessments in relation to 1,001 reports within 12 months of receiving the report. In recognition of the importance of this oversight, the team's Assurance Branch invested additional resources in the statutory reporting team to ensure the timeliness and quality of its assessments.

In late 2018–19 the Office undertook a review of its statutory reporting function using lean methodology, to identify ways in which the process could be streamlined to provide clearer and timelier reports. We anticipate seeing the benefits of this approach in 2019–20.

KPI 8—Percentage of immigration detention State of the Network reports issued within three months of the reporting cycle.

Source—2018–19 Corporate Plan, pages 14 and 15.

Measurement Methodology	Total number of immigration State of the Network reports issued within three months of the reporting cycle	KPI Target	KPI Result
	Total number of immigration State of the Network reports issued	90%	50%
	1/2= 50 per cent		

The Office conducts regular inspections of the immigration detention centres under the Ombudsman’s own motion powers. This is in accordance with our jurisdiction to consider the actions of Commonwealth agencies and their subcontractors. As soon as possible following each inspection we provide immigration detention staff with a post-visit report that sets out our observations and, where appropriate, makes suggestions for improvement.

The Office’s target is to issue a State of the Network report within three months of the

reporting cycle (January 2018 to June 2018 and July 2018 to December 2018). These reports consolidate our observations from each of the inspections conducted during the reporting period.

The report for the January 2018 to June 2018 cycle was issued on 6 November 2018 which was after the 30 September 2018 deadline. However, the report for the July 2018 to December 2018 cycle was issued on 26 March 2019 within the three month deadline, and we do not anticipate delays in future reporting cycles.

Objective 4—Provide effective and impartial industry complaint-handling services and provision of consumer information

KPI 9—Percentage of public users who completed the survey for privatehealth.gov.au and provided a ‘satisfied’ or ‘very satisfied’ response regarding the quality of information provided by the website.

Source—2018–19 Corporate Plan, pages 14 and 15.

Measurement Methodology		KPI Target	KPI Result
	Number of ‘satisfied’ or ‘very satisfied’ responses regarding the quality of information provided on the website	80%	78%
	Total number of respondents who respond to that question in the survey		
	348/447= 78 per cent		

One of the ways the Office fulfils Objective 4 is through the provision of private health insurance consumer information. A key platform to achieve this is through the consumer website privatehealth.gov.au, which provides independent private health insurance information and the ability to compare policies available from every Australian health insurer. The Office measures consumer satisfaction with the website. The Office was narrowly below target on KPI 9 (two per cent below target) with 348 of 447 survey respondents indicating satisfied or very satisfied with the quality of information on the consumer website privatehealth.gov.au.

As part of the government’s private health insurance reforms, the Office launched a redeveloped website on 1 April 2019. The updated website included, information on the private health insurance reforms, an improved policy search and compare function, a simpler Private Health Information Statement (PHIS), a new premium estimator and an updated look and feel, including compatibility with mobile devices.

The Office will continue to explore ways to improve the website user experience in future years.

KPI 10—Percentage of industry complaints handled within Office service standards.

Source—2018–19 Corporate Plan, pages 14 and 15.

Measurement Methodology		KPI Target	KPI Result
	Total number of industry complaints closed with Office service standard	85%	69%
	Total number of industry complaints		
	10,799/15,574= 69 per cent		

The Office seeks to finalise complaints within Office service standards for its industry complaint-handling functions. In 2018–19, we measured our complaint-handling by the timeliness of the

number of complaints finalised within service standards. For the period, our service standards were as follows:

Type of complaint	Service standard
Complaints able to be finalised in a single contact (where the matter is out of jurisdiction or where we can refer the person to a more preferable complaint pathway, such as with the organisation being complained about)	Within 3 working days
Complaints requiring further analysis, or referral to the organisation but not formal investigation	Within 14 days
Complaints requiring investigation, including engagement with the organisation concerned or complaints requiring assessment through the VET FEE-HELP Student Redress Measures	Within 90 days
Complex complaints requiring detailed investigation, including multiple engagements with the organisation concerned	Within 180 days
Complaints resulting in a formal report to the organisation and/or minister	Within 12 months

In our industry ombudsman roles, we handle complaints:

- from international (overseas) students with private education providers
- from students about VET FEE-HELP or VET Student Loans debt
- from consumers about the following postal operators:
 - Australia Post
 - StarTrack
 - FedEx Australia (Federal Express Australia)
 - Cheque-Mates
 - D and D Mailing Services.
- about a health insurance arrangement from:
 - health fund members
 - health funds
 - hospitals, or
 - medical practitioners.

Across these functions the Office closed 15,574 complaints in 2018–19. Of those, 10,799 were closed within Office service standards.

The Office finalised 7,146 private health insurance complaints of which 6,756 were closed within Office service standards (95 per cent). The Office prioritised timeliness in its private health insurance complaint-handling processes in 2018–19, resulting in an improved outcome. This outcome was also reflected in client survey results, with 83 per cent of survey respondents satisfied with the time it took to resolve their complaints, compared to 78 per cent in the previous year. Private health insurance complaints comprise both complaints and consumer enquiries.

The Office finalised 1,292 overseas student complaints of which 1,033 were finalised within Office service standards (80 per cent). Complaints received during the year increased 32.5 per cent to 1,324, which impacted on the Office's ability to meet the 85 per cent target.

The Office finalised 2,504 postal complaints of which 1,726 were finalised within Office service standards (69 per cent). In 2018–19 we introduced a new process for transferring complaints to Australia Post when we assessed that Australia Post

should be able to resolve them quickly with the consumer. For these cases, Australia Post assess the complaint and informs us about the outcome. We then consider if further investigation of the complaint is required. Australia Post was allowed 10 days to provide a response for these cases, which meant the Office was unable to finalise these complaints within the Office's 14 day service standard. While this resulted in complaints taking marginally longer to finalise, the process has generally achieved better outcomes for consumers.

The Office finalised 4,632 VET FEE-HELP and VET student loans complaints in 2018–19, with 1,284 closed within Office service standards (28 per cent). More than 97 per cent of complaints received in 2018–19 related to the former VET FEE-HELP scheme. The ability of the Office to finalise VET student loan complaints within service standards has been hampered by both the previous lack of redress pathway for VET FEE-HELP complainants with closed education providers, difficulties engaging with some open education providers and the high volume of complaints.

Since 1 January 2019, we began assessments of VET FEE-HELP debts under the VET FEE-HELP Student Redress Measures. The redress measures, passed in the *Higher Education Support Amendment (VET FEE-HELP Student Protection) Act 2018*, provide people who incurred VET FEE-HELP debts inappropriately with an opportunity to have their

debts assessed for removal by our Office. During 2018–19, we worked closely with the Department of Education to document and agree processes to support the assessment of complaints and submission of recommendations from this Office to the Department under the redress measures. During 1 January to 30 June 2019 we focussed on the quality of recommendations rather than the volume, to ensure our recommendations were well-targeted and that debt removals were justified. As the bedding down of processes is largely complete we expect the volume of recommendations to increase in 2019–20. As at 30 June 2019, there were 5,912 open VET FEE-HELP complaints that require assessment under the redress measures by our Office.

As noted above in relation to government complaints, for 2019–20, the Office is developing new service standards for each of our different complaint-handling and similar roles, which includes the handling of industry complaints. Based on confidence intervals, these standards will provide greater transparency as to the likely amount of time particular processes will take, recognising that there are different processes for each of our different functions.

Objective 5—Deliver capacity building programs under the Australian Aid arrangements to support Ombudsmen and allied integrity bodies improve governance and accountability

KPI 11—Percentage of outputs delivered under the Australian Aid arrangements.

Source—2018–19 Corporate Plan, pages 14 and 15.

Measurement Methodology	Number of outputs delivered	KPI Target	KPI Result
	Total number of outputs scheduled to be delivered under grant agreements	80%	92%
	33/36= 92 per cent		

The Office works with the Department of Foreign Affairs and Trade (DFAT) to facilitate a number of partnership programs with Ombudsman offices and integrity agencies in the Indo-Pacific region. The current programs are with the following bodies:

- Ombudsman Republik of Indonesia
- Ombudsman Commission of Papua New Guinea
- Office of the Ombudsman of Samoa and the Samoa Audit Office
- Office of the Ombudsman Solomon Islands and Leadership Code Commission.

We work closely with our international partners to:

- strengthen the relationships between our Office and our international partners, as well as building relationships between similar organisations in the Indo-Pacific region
- foster and share best practice across our partnerships and the wider Indo-Pacific region
- strengthen institutional capacity at all levels.

The Office provides assistance to our regional partners consistent with Australian Aid priorities through DFAT. Our international team is required to carry out scheduled activities each year in order to comply with Australian Aid obligations. In 2018–19 the Office delivered 33 out of 36 outputs under the Australian Aid arrangements.

KPI 12—Percentage of stakeholders which participated in activities delivered under Australian Aid arrangements who provided an average of ‘satisfied’ or ‘very satisfied’ rating in the feedback forms/surveys.

Source—2018–19 Corporate Plan, pages 14 and 15.

Measurement Methodology	Number of survey responses that average ‘satisfied’ or ‘very satisfied’ overall	KPI Target	KPI Result
	Total number of respondents who participate in the survey	90%	100%
	152/152= 100 per cent		

The success of our international program is through the building of linkages and understanding between our Office and our international partners, facilitating the sharing of lessons and mechanisms to overcome challenges and developing and supporting mentoring relationships, internship programs, and building networks through joint activities and events. The Office delivered activities in Papua New Guinea, the Solomon Islands, Indonesia and Samoa. To gauge our success and progress in delivering activities, the Office measures the satisfaction of stakeholder participation in those activities. The feedback for 2018–19 was very encouraging with 152 of 152 stakeholders providing an average of ‘satisfied’ or ‘very satisfied’ rating in the feedback forms/surveys.

Overarching analysis of performance against the Ombudsman’s purpose

In achieving our purpose as set out in the 2018–19 Corporate Plan, the Office performed strongly in meeting eight of our twelve KPI targets and narrowly missing the target on one other KPI. The Office delivers on its purpose through handling complaints, conducting investigations, performing audits and inspections, encouraging good administration and discharging specialist oversight tasks. The Office influences improvement in public administration in the Pacific region and Indonesia through collaboration with partner entities.

In 2018–19, the Office focused on:

- The implementation of a suite of new functions, including the expanded role of the Private Health Insurance Ombudsman, upgrade of privatehealth.gov.au, implementation of the VET FEE-HELP Student Redress Measures and establishment of the OPCAT national coordination role.
- Ongoing delivery of high quality services to individual complainants, as the Office continues to be challenged by the large volumes of complaints.
- Delivery of critical oversight functions to ensure the public can have confidence in the manner in which law enforcement and other agencies exercise certain important powers.
- Careful identification of areas of administration where our critical, but discretionary, activities are to be dedicated in the form of own motion inquiries or other investigation and reporting work, to optimise our influence on the wider system.

Our structural change, as reported in the 2017–18 Annual Performance Statement, our use of lean methodology and a review of a number of our processes has provided the opportunity for greater efficiency and improved complaint-handling services.

Our results against KPI 3 can attest to our achievements here. While our results for KPI 10 did not meet our expectations, we have learned from our experiences within VET FEE-HELP, VET student loans and the postal industry. We recognise that complaint-handling requires careful analysis and we are not always able to provide rapid resolution to complaints. In 2019–20 our service standards will more accurately represent the individual circumstances of each of our discrete complaint-handling functions and the length of time they take to finalise, to provide greater transparency to people who contact our Office.

Our 2018–19 KPIs prompted discussion within our senior leadership group about the relevance of what we are measuring. During 2018–19, we reviewed our performance measures and in 2019–20 we will utilise a new set of performance

measures, designed to measure what we have achieved, not just to focus on what we do. The new performance framework for 2019–20 uses a combination of both quantitative and qualitative analysis to measure how effective we are in the work that we do. This framework particularly reflects that in fulfilling our purpose, we strive to maintain the confidence of three groups: the public, the agencies and organisations we oversee and the parliament. We look forward to reporting on this new framework in our 2019–20 Annual Performance Statement.

Financial Performance

In 2018–19, the Office recorded an operating surplus of \$1.4 million, excluding depreciation, amortisation and write down of assets compared to 2017–18 operating deficit of \$0.147 million. The 2018–19 operating surplus was broadly consistent with the balanced outcome estimate included in the 2018–19 Portfolio Budget Statements.

Expenses

Total expenses increased from \$36 million in 2017–18 to \$43 million in 2018–19. The increase was mainly driven by costs associated with travel, property, contractors and additional staffing costs for new functions such as the VET Student Loans Ombudsman.

Income

Appropriation revenue increased from \$23.7 million in 2017–18 to \$39.1 million in 2018–19, an increase of \$15.4 million.

This was due to the additional funding received for:

- The new VET Student Loans Ombudsman function, an increase of \$4.1 million.
- Private Health Insurance Ombudsman, an increase of \$1.9 million.
- Defence Force Ombudsman, an increase of \$7.9 million, (largely offset by the cessation of related cost recovery arrangements).
- Immigration Ombudsman, an increase of \$0.3 million.
- Postal Industry Ombudsman, an increase of \$0.8 million.
- The move to appropriation from rendering services revenue of \$0.3 million for oversight of the Australian Building and Construction Commission (ABCC) and the Australian Federal Police (AFP).

Rendering of services revenue decreased from \$11 million in 2017–18 to \$4 million in 2018–19. The decrease mainly related to the ended cost recovery agreement with the Department of Defence for our abuse reporting function. The remaining revenue is represented by the International Program funded by the Department of Foreign Affairs and Trade, and the work undertaken for the ACT Ombudsman function funded by the ACT Government.

Assets

Total assets increased by \$5.5 million, comprising:

- an increase in cash held (\$1.4 million)
- acquisition of assets (\$2.3 million), offset by depreciation and amortisation (\$1.2 million)
- an increase in trade and other receivables (\$2.8 million).

The Office acquired \$2.3 million in new assets in 2018–19, funded through the departmental capital appropriation and the operating surplus. This included the replacement of ICT infrastructure, purchase of new software, refurbishment of offices and enhancements to core existing ICT systems.


Assets were checked for impairment and a stock take undertaken at year end to ensure completeness. Assets are maintained and kept in good working order by the Office.

Liabilities

Total liabilities increased by \$4.7 million, which was mainly due to:

- trade creditors (\$3 million)
- salary increase (\$0.1 million)
- lease incentive (\$0.4 million).

Employee provisions increased by \$1 million.



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The background features a series of overlapping, wavy shapes in various shades of blue, ranging from a light sky blue to a deep navy blue. The shapes create a sense of movement and depth, with some areas appearing to be in the foreground and others receding into the background. The overall effect is a modern, clean, and dynamic design.

04

WHAT WE DO

Part 4—What we do

Complaint Management

Complaints to our Office

Public contact

In 2018–19 we received 50,237 contacts³ from the public, compared to 47,557 contacts in 2017–18. This is a 5.6 per cent increase.

Of the total contacts received, 37,388 were complaints within our jurisdiction (compared to 38,026 in 2017–18). Of these complaints, 49.8 per cent fell within our parliamentary complaints jurisdiction (complaints about Commonwealth and ACT Government agencies) and 50.2 per cent related to our industry complaints jurisdiction (such as VET Student Loans, overseas students, and private health insurance matters).

The Office finalised 34,322 in-jurisdiction complaints in 2018–19, a 2.9 per cent decrease compared to 2017–18. 18,748 of these finalised complaints were about government agencies and 15,574 were about industry bodies.

In 2018–19 the Office received 11,673 enquiries, a 37.8 per cent increase compared to 2017–18. Enquiries can include requests for information from our Office (such as a media enquiry, a Freedom of Information application or a request for one of our reports) or can relate to matters not within our jurisdiction (for example, complaints about state or territory government matters, telecommunications companies or financial service providers). In 2018–19, this number includes 3,417 submissions received from the public as part of our own motion

investigation into the administration of the Defence Force Retirement and Death Benefits scheme. See page 62 for more information about this investigation.

The Office also received 1,176 public contacts related to the specific programs we deliver. These include reports of abuse in the Australian Defence Force, public interest disclosures, and applications for review of FOI decisions made by ACT Government agencies. More information about each of these programs is provided later in this section. Information about our activities as the ACT Ombudsman is provided in our separate ACT Ombudsman annual report.⁴

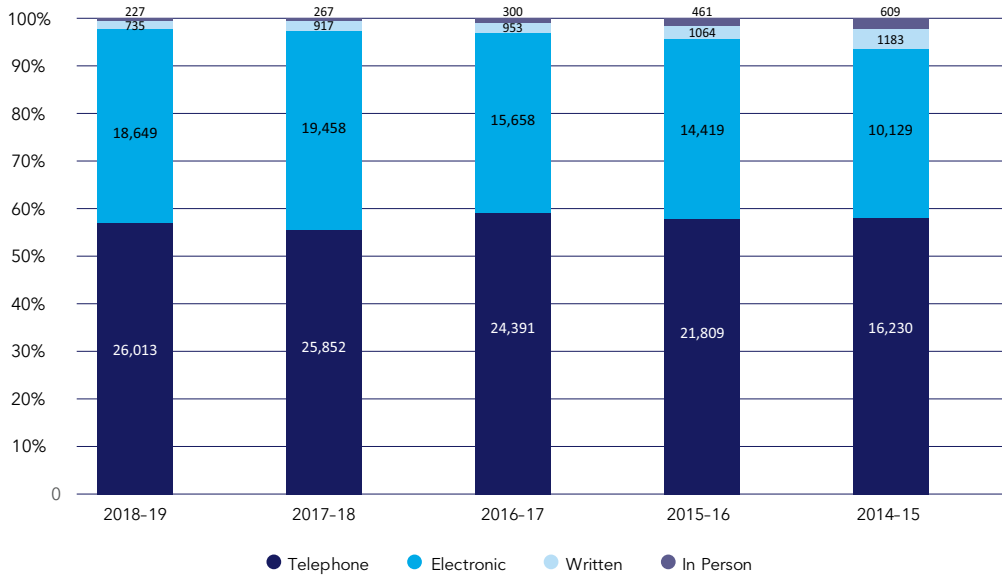
Receiving complaints

The Office receives complaints through a variety of methods. Telephone remains the most popular way to make a complaint. In 2018–19, we revamped our website to make it easier for people to find information about our services, including circumstances in which a person might be better placed pursuing their complaint through a different organisation. A priority for 2019–20 is to further improve our website to make it easier to lodge complaints online.

³ Contacts was called approaches in previous annual reports. See glossary for the full definition

⁴ <https://www.ombudsman.gov.au/publications/reports/annual>

Figure 2—Trend in how contacts and complaints were received over the last five years



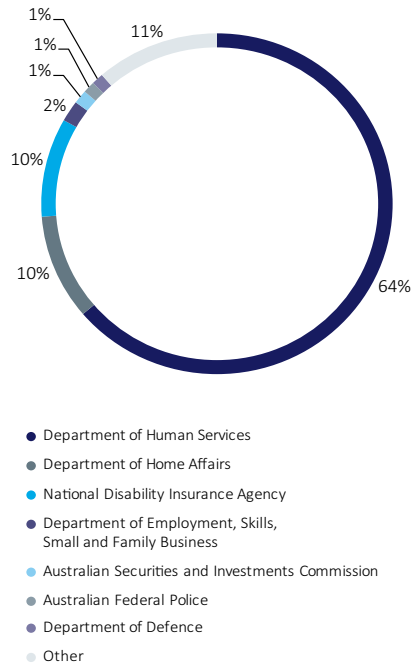
Note: For the purposes of comparison on previous years, Figure 2 excludes DFRDB contacts and program specific matters.

Complaints about government agencies

In 2018-19 we received 18,161 complaints about Commonwealth Government agencies, a decrease of five per cent on the 19,121 received in 2017-18. We also received complaints about private sector organisations through our industry ombudsman roles.

Of the complaints about commonwealth entities, 84 per cent were about three agencies: the Department of Human Services, including Centrelink and Child Support programs (11,652), the Department of Home Affairs, including the Australian Border Force (1,824)⁵ and the National Disability Insurance Agency (1,711).

Figure 3—Complaints received by government agency⁶



5 This is the Department of Home Affairs agency, not portfolio.

6 Only includes agencies with at least 200 complaints.

More information about the issues raised in relation to these agencies is provided later in this section.

Handling complaints

In 2018 the Office restructured its parliamentary complaint-handling operations to deliver a more efficient and effective complaint-handling service. One specific change was a focus on early resolution. Early resolution involves assessing which complaints can be considered quickly and an outcome reached without the need for further in-depth investigation. Common early resolution strategies include transferring a complaint back to the agency to consider or asking simple preliminary inquiries of an agency to determine answers without the need for a full investigation.

There are a number of outcomes that can result from contacting us. When a complaint about a government agency is received, the most common action we take is to advise the complainant to contact the agency that the complaint is about. We do this because in most circumstances, the most efficient way to resolve a complaint is for the

agency to consider and resolve it. Other common actions are to provide the complainant with other advice to resolve their matter or to assist vulnerable or at-risk people by directly transferring their complaint to the agency concerned to consider it further.

While many complaints can be effectively assessed, and a way forward determined, without the need to contact the agency concerned, others require more in-depth investigation to determine the appropriate outcome. We may also investigate a matter even where it is not likely to lead to a better result for the individual concerned, to ensure we provide effective oversight of agencies and influence systemic improvement in public administration.

Often we will decide that we need to engage with the agency complained about to determine what happened. There are two ways we do this—by making a simple enquiry with the agency (533 complaints in 2018–19) through to commencing a more detailed investigation (1,116 complaints in 2018–19).

CASE STUDY

A complainant complained to our Office that the Australian Securities and Investments Commission (ASIC) had deregistered their company because they had not paid the annual review fees. They told us that even though they had advised ASIC of a change to the address for their company, the annual company review fee invoices were sent to the old address and as a result, they had not paid the annual fee. Once they became aware of the error, they paid the annual review fee. They complained it was not fair to have

to pay fees for late payment of the annual review fee.

We conducted preliminary inquiries and asked ASIC for information on how it processed the request to change the company address. After receiving our preliminary inquiry, ASIC realised it had not properly processed the change of address for the company. It reassessed its handling of the matter and agreed to reinstate the company's registration and waive the fees relating to the late payment of the annual company review fee.

Investigating complaints

Investigating complaints remains a core component of the Office’s function of providing oversight and assurance of government administrative action and complaint-handling. As a result of an investigation, we may make comments or suggestions to the agency. Comments or suggestions may include recommendations to change or review decisions, policy or procedural changes encouraging formal apologies to complainants and improving the quality of publicly available information.

In 2018–19 we investigated 1,116 complaints, and provided comments or suggestions to the agency in 84 cases. This does not include those cases where the agency agreed to make changes during the course of our investigation.

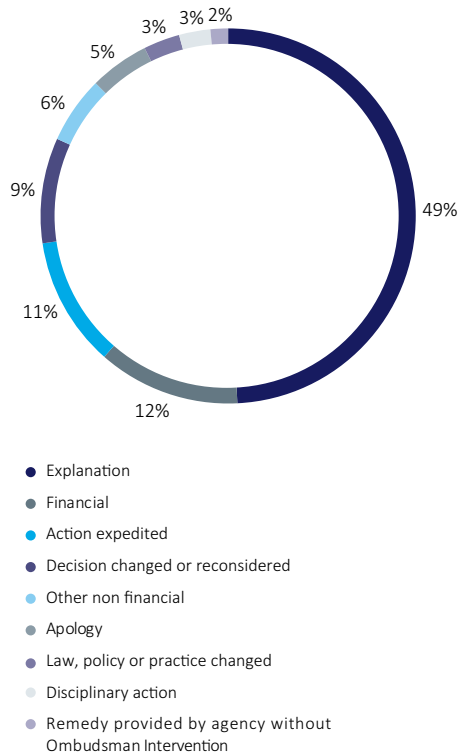
Outcomes

Regardless of what action we take, contact with our Office can result in a variety of outcomes including a better explanation of a decision or process, faster resolution of a matter, reconsideration of a decision and sometimes a financial remedy (for example, waiver of a debt or reinstatement of a payment to which the complainant is entitled).

In other cases, our investigation can result in independent assurance that an agency acted appropriately and made the right decision. While this is not always the outcome a person is seeking in coming to our Office, it highlights that our role is to be independent and impartial—we do not advocate for either individuals or agencies.

Figure 4 sets out the different types of outcomes following investigation of cases. Further work is underway this year to enable reporting on the outcomes we achieve without a formal investigation.

Figure 4—Investigation outcomes



Reviewing our decisions

The Office has a formal non-statutory review process for complainants who may be dissatisfied with the decision reached by the Office about a complaint. Generally, the officer who made the decision is expected to contact the complainant to discuss their concerns and if needed, consider new information or explain the decision in more detail. If the complainant is still unhappy after this contact, they can seek an internal review.

A review manager decides whether to grant a review. A review may not be granted if the review manager cannot identify any concerns with the original officer’s decision. If a review is granted, the review manager allocates the review to an experienced officer who was not previously involved in the matter.

In 2018–19 we received 146 requests for review (representing 0.8 per cent of complaints finalised), compared to 155 (0.78 per cent of finalised complaints) received in 2017–18.

The review manager accepted 78 requests for further review. Review officers affirmed the original decision in 62 cases and decided to investigate the matter further in 19 cases.

Reviews are an important part of the Office's commitment to best practice complaint-handling. The Office reports internally to the executive on the issues identified in reviews and uses reviews as an opportunity to continually improve our own practices and procedures.

Accessibility of our services

The Office is committed to ensuring that our services are accessible to all people. It is particularly important that our complaint-handling processes are available in a way that all people can readily access them. In 2018–19 we undertook the following to support that commitment.

Multicultural Access and Equity Plan (MAEP)

In early 2019, the Office launched our 2019–20 Multicultural Access and Equity Plan. The plan outlines our commitment to ensuring that our services meet the needs of all Australians, regardless of their cultural and linguistic background. Through this plan, we outline practical commitments to ensure that multicultural access and equity consideration are embedded in our organisational culture.

The commitments in the plan cover Leadership, Engagement, Responsiveness, Performance, Capability and Openness. These commitments are essential to our vision of creating a service that is equitable so that all Australians are safeguarded in their dealings with Australian

Government agencies and prescribed private sector organisations.

Disability accessibility

During 2018–19, we continued to implement recommendations arising from our Office's review of its disability accessibility by specialist disability consultants, WestWood Spice and Partners. We launched our new website, featuring improved layouts and content focussed on ease of use for people wanting to contact our Office. We also rolled out Disability confident managing and recruiting training for our staff, which ensures that recruitment and selection teams are disability aware and confident and that managers are better able to supervise staff with disability.

Indigenous accessibility

A review of the Office's accessibility and inclusiveness of Aboriginal and Torres Strait Islander peoples and communities was conducted by the Aboriginal communications company Gilimbaa Pty Ltd in 2017. The review considered all aspects of the Office's operations and made recommendations to improve our approach to engaging with Indigenous complainants and stakeholders. During 2018–19, we implemented recommendations promoting and supporting the importance of effective communication with Aboriginal and Torres Strait Islander audiences, which involved identifying Indigenous champions in our public contact areas, and working across the Office to ensure that complaint-handling practices are culturally appropriate.

We delivered training to staff in how to use Indigenous Language Interpreters to communicate and engage with Aboriginal and Torres Strait Islander peoples and communities. We also refined our intake processes to improve the identification of Aboriginal and Torres Strait

Islander complainants, enhancing our ability to collect information about the locations, volume and type of complaints from Aboriginal and Torres Strait Islander peoples. This information directly improves our services and assists us in identifying current and emerging systemic issues.

Outreach and community and stakeholder engagement

The Office conducts outreach and stakeholder engagement activities to raise awareness of the role of the Ombudsman's Office and to gather information about systemic issues with government service delivery.

Our outreach activities involve holding round table meetings and visiting community organisations to discuss systemic issues with government service delivery. In 2018-19, we conducted outreach in western Sydney, Logan in Brisbane, southern Perth and north-east Alice Springs.

Our stakeholder engagement involves participating in community forums and networks and engaging directly with non-government organisations that represent people accessing government services.

Complaint assurance initiatives

A strong complaint-handling system is an integral part of an agency's performance management and measurement of customer satisfaction. Well-managed complaints can:

- improve trust with people and the perceived integrity of agencies
- lead to better services for people
- identify systemic issues or areas for improvement within agencies.

We often refer the complainant back to the agency about which they are complaining, in order to have their complaints handled by the agency. Starting in 2018-19 and continuing in 2019-20, we have commenced a number of initiatives to assist us to gain assurance that complainants will have their complaints handled appropriately if they are referred back.

We have established an education program, to enable us to share our complaint-handling experience with agency staff. We have trialled a Complaint Assurance Project, to examine complaint-handling policies and practices within agencies to identify best practice and opportunities for improvement. We are rolling out feedback

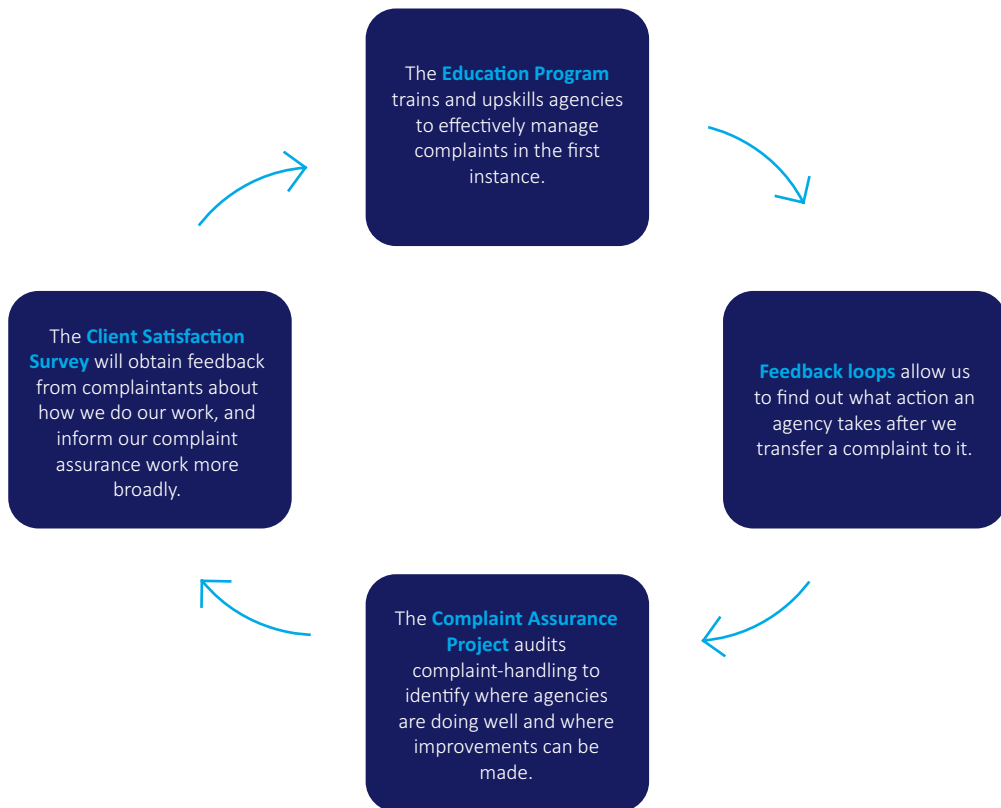


Amie Meers, Tina Meimaris and Charles Turner visiting the Ampilatwatja Centrelink agent access point, north east of Alice Springs.

loops for some select complaints we transfer back to agencies, to provide us with assurance that the agency has properly addressed the matter. Finally, in 2019–20 we will be undertaking a satisfaction

survey, to critically assess both our own complaint-handling performance and to better understand the experience of those complainants we referred back to the agency.

Figure 5—Complaint assurance initiatives



Education program

In 2018–19 we initiated an education program targeted at improving complaint-handling by public sector agencies. We developed the program as a way of proactively educating agencies on best practice complaint-handling. Our vision is that with a robust agency-focused education program, we will assist agencies to manage complaints effectively and efficiently while using complaints as a valuable tool to improve their service delivery.

This program builds on the Commonwealth Complaint-Handling Forum, which we have successfully held for many years to bring together complaint-handling staff from across Australia.

In May 2019, we introduced a one day interactive complaint-handling workshop based on our Office's *Better Practice Guide to Complaint-Handling*. The workshop examines the essential elements of an effective complaint-handling system and invites

participants to think critically about their agency's complaint-handling processes. The workshop is targeted at frontline complaint-handling staff and their supervisors.

Complaint Assurance Project

The Office is piloting has started a Complaint Assurance Project to review participating agencies' complaint management services in line with the requirements of the Office's *Better Practice Complaint-Handling Guide*.⁷ This involves working collaboratively with participating agencies to engage in a self-assessment and oversight process to:

- promote agency-led quality assurance in complaints management
- establish a model for agencies to self-identify trends, systemic issues and areas for

improvement

- assist agencies to identify and improve complaint management
- recognise accomplishments and better practice improvements within agency complaint management
- share areas of potential business process improvements with other agencies.

The project involves the completion of a self-assessment questionnaire by the agency and a review of supporting documentation and complaint sampling by our Office.

At the end of the process, our Office will develop a report that identifies best practice and recommendations for improvement. If the pilot is successful, a rolling program involving other agencies will be developed.



On 14 June 2019, the Office hosted the seventh Commonwealth Complaint-Handling Forum at the National Museum of Australia. This year's theme, 'Complaint-handling in the modern world', led to thought provoking presentations and workshops as we explored the current and emerging challenges in complaint-handling. This year's forum was led by joint keynote presentations by Megan Hunter from the High Conflict Institute and David Locke, CEO and Chief Ombudsman of the Australian Financial Complaints Authority.

Workshops by the National Office for Child Safety, the Department of Human Services–Child Support, the Fair Work Ombudsman and the Commonwealth Ombudsman, along with a panel discussion by industry complaint-handling organisations, rounded out another stimulating forum.

Feedback was overwhelmingly positive, with many suggestions to help make the 2020 event another success!

⁷ Commonwealth Ombudsman 'Better Practice Guide to Complaint-handling', 2009.

Oversight of government agencies

We work with government agencies to influence enduring systemic improvement in public administration. We do this by monitoring our complaints data, investigating systemic issues and meeting with agencies on a regular basis to explore issues and receive briefings on program or service delivery changes.

For example, in 2018–19 we worked with the Department of the Prime Minister and Cabinet (PMC) to monitor the administration of penalties applied to remote job seekers in the Community Development Programme (CDP). Our complaint investigations identified issues associated with the flow of information across the program, participant activity plans and barriers experienced by participants in attempting to access employment services assessment processes.

On 21 September 2018 the acting Ombudsman appeared before the Senate Standing Committee

on Community Affairs inquiry into the Social Security Legislation Amendment (Community Development Program) Bill 2018. The bill sought to extend the targeted compliance framework that currently applies to jobseekers to CDP participants, and the Office provided information about issues identified through complaints and from outreach to remote communities.

We also worked with the Department of Employment, Skills, Small and Family Business to monitor complaints about the jobactive program, which represents 80 per cent of complaints about the department. Jobactive program participants are encouraged to make a complaint to their provider in the first instance. Where they are not satisfied with the outcome of their complaint, jobactive participants can access the department's National Customer Service Line (NCSL) either by phone or email. The Department also has a complaint form available on its website.

CASE STUDY

A complainant was a participant in the jobactive program and was referred to a position as a labourer by an employment service provider. They found out they were being underpaid, and their provider referred them to the Fair Work Ombudsman (FWO) who advised they had a right to leave the position and assisted them in doing so.

The complainant told their provider they had left, but the provider lodged a non-compliance report to Centrelink, resulting in their Newstart Allowance being suspended. When they

complained to the National Customer Service Line (NCSL), they were told to contact the Fair Work Ombudsman.

They then made a complaint to our Office. Our investigation identified errors on the part of the provider and found that on the basis of the information that was provided in the complaint to the NCSL, it would have been appropriate for the NCSL to refer the complaint to the provider for further investigation. The complainant's payment was restored, with back pay, and their record corrected.

Department of Human Services

The Department of Human Services (DHS) is responsible for delivering a range of social welfare, health, child support and other payments and services to millions of people across Australia. This includes Centrelink payments and services for retirees, the unemployed, families, carers and

students, as well as aged care payments to services that are funded under the *Aged Care Act 1997*, and Child Support services.

Complaints overview

In 2018–19 we received 11,652 complaints and finalised 11,702. This is a 7.5 per cent decrease in complaints received, compared to 2017–18.

Table 1—DHS complaints

DHS programs	2018–19
Centrelink	10,300
Child Support	1,100
Department of Human Services	252
	11,652

Centrelink program complaints

Complaints about Centrelink continue to make up a substantial proportion of complaints made to the Office, representing 55 per cent of the total number of complaints made about Commonwealth Government agencies. Approximately 31 per cent

of issues raised in Centrelink complaints are about Disability Support Pension (DSP) and Newstart Allowance (NSA). Figure 6 shows the main issues raised about Centrelink.

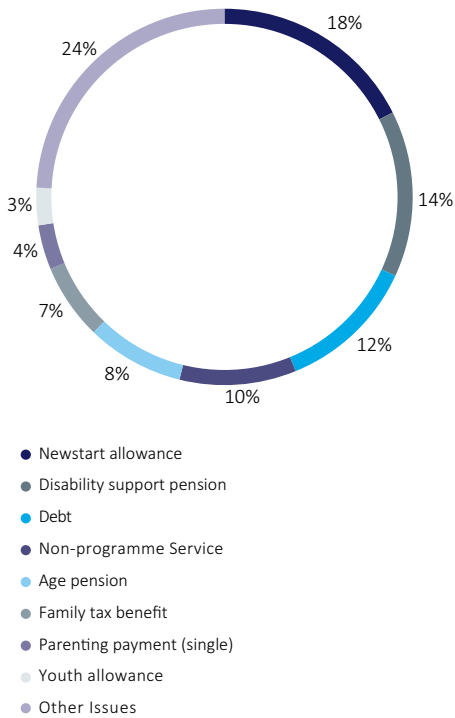
CASE STUDY

In 2013, Centrelink granted a claim for a complainant for the Age Pension. In 2017, the person's financial advisers identified that they were incorrectly receiving a reduced rate of Age Pension because Centrelink believed they were a homeowner.

The complainant sought compensation from Centrelink under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme on the

basis that their claim had been incorrectly assessed and they had been underpaid for four years. Centrelink assessed the CDDA claim and decided that compensation was not payable.

They made a complaint to our Office. Following our investigation, Centrelink offered compensation in the form of an amount in excess of \$25,000, equal to the additional Age Pension that they should have been paid over the four year period.

Figure 6—Centrelink complaint issues

Investigations

In April 2019, the Office published a report on the implementation of recommendations arising from our 2017 report into *Centrelink's automated debt raising and recovery system*. We found that DHS had made significant progress in implementing our recommendations, but thought some further action was required so made four additional recommendations to improve transparency and fairness. We continue to investigate complaints about this issue.

Feedback loop

We have been working with DHS to establish a feedback loop for complaints that we transfer directly to DHS. We do this where a person has not complained to DHS in the first instance and we

think the person is particularly vulnerable and/or will need help with their concerns. DHS provides a quarterly report on all complaints we transfer to the department. The report includes information about whether the person received the outcome they were seeking, and the time it took DHS to contact the person and to resolve the complaint. DHS also provides more detailed information on a sample of complaints each quarter, so we can see the steps DHS took to respond to the complaint.

Child Support Program

Our Office has jurisdiction to investigate complaints about DHS' administration of the Child Support program. This includes child support assessments, registering child support agreements, and collecting and disbursing child support between separated parents and the carers of eligible children.

In 2018–19 the number of complaints received about Child Support decreased by 16.3 per cent. The majority of complaints received in 2018–19 were from paying parents. The main complaint themes were regarding the collection and enforcement of child support liabilities, formula assessments, change of assessments and customer service.

In addition to investigating individual complaints, the Office liaised with DHS on a range of Child Support matters, including the Parent Support Team pilot for vulnerable clients, debt recovery processes, and the continued rollout and implementation of a new information technology system.

National Disability Insurance Agency

The National Disability Insurance Agency (NDIA) administers the National Disability Insurance Scheme (NDIS), a Commonwealth scheme that provides funding to people with disability to assist them to participate in everyday activities. People who enter the NDIS are known as participants.

The NDIS is being introduced across Australia. At 30 June 2019, 298,816 participants had received approved plans (or were in the Early Childhood Early Intervention gateway). Approximately 460,000 participants are projected to be in the scheme by July 2020. How and when people with disability are able to access the NDIS depends on the state or territory in which they live and whether they have accessed disability services

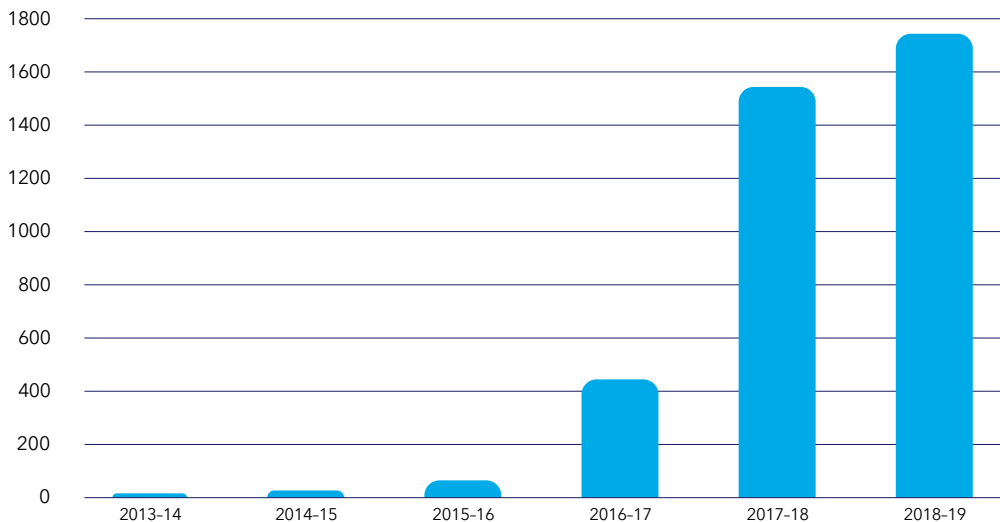
before. As at 30 June 2019, people across most of Australia can access the NDIS, with the roll out of the scheme in Western Australia due for completion by June 2020.

The Office handles complaints about the NDIA's administrative actions and decisions. We can also consider complaints about organisations that are contracted to deliver services on behalf of the NDIA, including local area coordinators who conduct information gathering and pre-planning interviews and Early Childhood Early Intervention partners.

Complaints overview

In 2018–19 we received 1,711 complaints and finalised 1,764. This is a 12 per cent increase in complaints received compared to 2017–18. During the same period the number of NDIS participants increased by 62 per cent.

Figure 7—NDIA complaints received



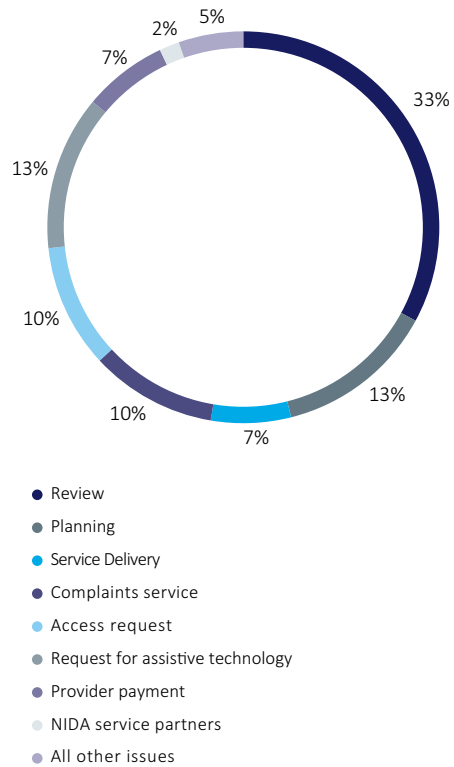
Complaints to our Office in 2018–19 covered many aspects of participants' experiences with the NDIS, as well as providers' experiences. The most common complaint issue was the NDIA's handling of reviews of plans and decisions.

Other common complaint issues included:

- Difficulty and delays in navigating the assistive technology process, and having funding for assistive technology included in plans for things like home and vehicle modifications.
- Dissatisfaction with the NDIA's handling of complaints made to its complaints service.
- Delays in deciding requests for access to the NDIS and confusion about timeframes for receiving an NDIS plan after access to the scheme is granted.
- Dissatisfaction with the process and outcome of planning meetings.

A breakdown of complaint issues is provided in Figure 8.

Figure 8—NDIA complaint issues 2018–19



CASE STUDY

A complainant requested a review of the NDIA's decision to decline the request for specialist funding for a wheelchair (in their child's plan). The NDIA undertook the review and confirmed its original decision. Although the NDIA verbally told the complainant the decision, it did not send them or their child a

written decision. Without a written decision, they were unable to seek merits review of the NDIA's decision by the Administrative Appeals Tribunal (AAT).

They complained to our Office. We contacted the NDIA and it sent a decision letter to their child. They were then able to exercise their rights to review the NDIA's decision.

Handling of reviews

In 2018–19, complaints about reviews including delays and decisions continued to feature prominently in complaints to the Office about the NDIA.

We are continuing to follow up the NDIA's implementation of the recommendations made in our public report, *Administration of reviews under the National Disability Insurance Scheme Act 2013*. The report made 20 recommendations aimed at improving review processes, communication with participants and review timeframes.

Accessing assistive technology

Complaints about the NDIA's administration of assistive technology increased this year to 12.6 per cent of all NDIA complaints to the Office, compared with five per cent of NDIA complaints last year.

Many of the complaints highlight difficulties experienced by participants in having funding for

assistive technology included in their NDIS plan and in obtaining clear and timely responses from the NDIA about what is needed to support the assistive technology request.

In late 2018, the Ombudsman made a submission to and appeared before the Joint Standing Committee on the NDIS's inquiry into the provision of assistive technology. Our submission highlighted the issues raised in complaints to the Office including:

- delays in making decisions
- an apparent lack of clear guidance about how to make a request and what information or evidence is required
- inconsistencies in advice about who can prepare assistive technology quotes and what they need to include.

CASE STUDY

A person contacted our Office due to delays in receiving assistive technology in their NDIS plan. They told us they were in hospital and were waiting for the NDIA to approve funds so they could obtain customised mobility equipment, and have modifications made to their home. Once the modifications were made they could leave hospital and go home. They told us that they had followed all the steps including providing quotes and assessments, and despite calling the NDIA multiple times had waited five months for a decision before approaching our Office.

We investigated their complaint. We noted that the request had been handled by multiple teams and there had been lengthy delays in both processing the request and responding to the participant's attempts in following up the NDIA's decision.

During the investigation, the NDIA acknowledged the complexity of this participant's circumstances. It took action to provide a support coordinator to assist the participant in engaging with the hospital and in obtaining the mobility equipment and the required modifications, so the participant could leave hospital and return home.

Defence Force Ombudsman

Our role as the Defence Force Ombudsman involves two main functions. We provide an independent complaints mechanism for serving and former members of the Australian Defence Force (ADF). Since 2016, we have received reports of serious abuse from serving and former members of Defence who feel they are unable to access Defence's internal mechanisms.

Complaints function

As the Defence Force Ombudsman, we receive and investigate complaints about administrative action taken by Defence agencies, including the three services (Navy, Army and Air Force), the Department of Defence (Defence), the Department of Veterans' Affairs (DVA) and Defence Housing Australia.

Defence complaints overview

In 2018–19 we received 471 complaints about Defence agencies and finalised 491. This is a 27.9 per cent decrease in comparison to complaints received in 2017–18. Complaints about Defence agencies, raised concerns about issues such as:

- termination, separation and transition
- service delivery
- redress of grievance
- Defence force recruiting.

Investigations

In July 2018, the Ombudsman published a report on our *Investigation into the Actions and Decisions of the Department of Veterans' Affairs* into the handling of a complex case involving compensation and disability benefits. The report made a number of recommendations to improve DVA's administration of veterans' payments. The department worked collaboratively with the Office and accepted all our recommendations. DVA has advised it is implementing significant

systemic changes, as part of its transformation agenda, to improve the way it manages and interacts with veterans and their families. The Office will continue to monitor DVA's ongoing work to implement our recommendations.

Defence Force Retirement and Death Benefits Scheme—own motion investigation

On 5 April 2019, the Ombudsman commenced an own motion investigation into the administration of the Defence Force Retirement and Death Benefits (DFRDB) scheme, specifically the issue of commutation.

The investigation is focused on accuracy of information about commutation provided to scheme members by the Department of Defence, ADF and scheme administrators (including the Commonwealth Superannuation Corporation (CSC) and its predecessors).

Given the significant public interest in this matter, we invited public submissions and received 3417 submissions from scheme members. We have also requested and obtained relevant records from Defence and CSC, going back more than 40 years.

We intend to finalise our investigation before the end of 2019. We will publish updates on the progress of the investigation here:

ombudsman.gov.au/dfrdb

Abuse reporting function

Since 1 December 2016, the Ombudsman has been able to receive reports of contemporary and historical abuse within Defence. This provides an independent and confidential mechanism to report abuse for those who feel unable to access Defence's internal mechanisms.

Abuse means sexual abuse, serious physical abuse or serious bullying or harassment which occurred between two (or more) people who were employed in Defence at the time.

Our delivery of the abuse reporting program is based around three functions:

- We provide a supportive, trauma-informed liaison role to those who report abuse to the Office.
- We assess all reports of abuse to determine whether they are within our jurisdiction and,

if requested by the reportee, whether they meet the government’s reparation payment framework.

- We deliver available responses including a recommendation for a reparation payment where available, participation in the Office’s Restorative Engagement Program, or a facilitated referral for counselling.

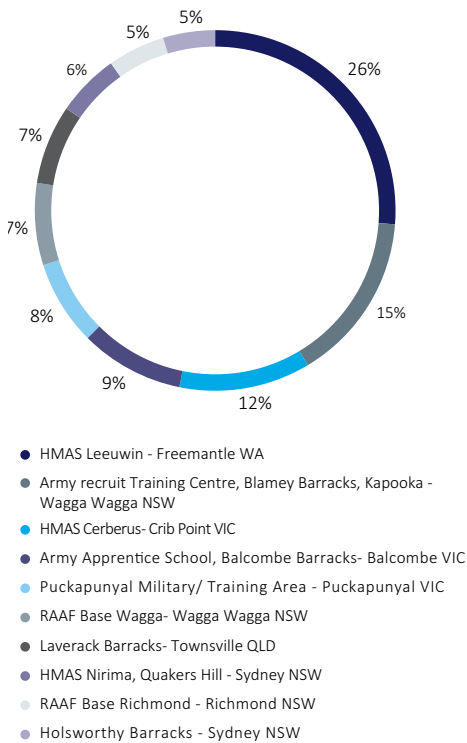
In 2018–19, we received 482 reports of abuse compared to 457 in 2017–18. Of the matters assessed in 2018–19, we accepted 542 reports to be in jurisdiction.

Figure 9—Reports of abuse received



Of the total 542 reports assessed in jurisdiction, the most reported locations were:

Figure 10—Most reported locations



Every person reporting abuse is assigned a dedicated Liaison Officer, who is practiced in communication skills that ensure clear, accurate and empathic messaging and understanding that an experience of trauma can affect a person's ability to engage in processes that may be beneficial. Liaison Officers work closely with reportees to establish rapport and encourage trust.

All reports are thoroughly assessed and the Ombudsman's delegate decides if the report involves serious abuse which is reasonably likely to have occurred in connection with the person's service in Defence. If a report is not accepted, reportees may seek an internal review of our decision.

Most reports of abuse made to our Office relate to conduct and behaviour that occurred many years ago. Of the total 1,101 reports received, only five per cent of reports relate to abuse alleged to have occurred after 30 June 2014.

We receive a range of feedback from current and former Defence members about the processes and outcomes of making a report of abuse to our Office. While many people tell us that it was a positive experience, and in some cases life changing, for some people the process has been challenging and disappointing when the outcome is not what they expected. We value feedback and use it to inform and improve how we manage reports, the information we provide and the assessments we make.

Reparation Payments

On 15 December 2017, the Australian Government determined that for the most serious forms of abuse and/or sexual assault, the Ombudsman may recommend Defence make a reparation payment.

There are two possible payments which we may recommend:

- A payment of up to \$45,000 to acknowledge the most serious forms of abuse.
- A payment of up to \$20,000 to acknowledge other abuse involving unlawful interference, accompanied by some element of indecency.

If the Office recommends one of these payments, an additional payment of \$5,000 may also be recommended where the Ombudsman is satisfied that Defence did not respond appropriately to the report of abuse. As reparation payments are limited, not all reports of abuse will meet the parameters set out in the framework.

Since the announcement of the reparation framework, the Ombudsman's delegate has sent 370 reparation payment recommendations

to Defence. As at 30 June 2019, Defence had considered and accepted 327 recommendations.

Restorative Engagement Program

The Restorative Engagement Program is designed to support a reportee to tell their personal story of abuse to a senior representative from Defence in a private, facilitated meeting called a Restorative Engagement Conference. The conference provides the opportunity for Defence to acknowledge and respond to an individual's personal account of abuse.

A secondary objective of the program is to enable a broader level of insight into the impact of abuse and its implications for Defence, which is critical to informing and building cultural change strategies.

Participation in the program is a choice made by the reportees. We explain the objectives of the program to help them make a choice about whether or not to participate.

In 2018–19, a total of 16 Restorative Engagement Conferences were convened with reportees, independent facilitators and Defence representatives. We received feedback via a survey from eight reportees who participated in a conference.

Overall, feedback was positive in terms of the personal benefits such as being able to 'leave bad memories behind' and getting an apology from Defence. Reportees also agreed or strongly agreed they were consulted about the process and had input, felt safe and were supported by the facilitator. Reportees agreed they were able to say what they wanted to say, including about the impacts of the abuse, and they were respected, listened to and believed by the Defence representative.

All reportees who completed the survey agreed or strongly agreed that their relationship, reputation and identity with Defence was repaired or reconciled through the Restorative Engagement Conference.

Defence Health Check

In 2017, the Office established the Defence Health Check as part of our Defence abuse reporting function. The Health Check is a rolling investigation which considers Defence's internal policies and procedures for making and handling complaints about abuse and unacceptable behaviour. In 2018, the Office investigated the adequacy of Defence's written policies for making and responding to reports of abuse. The Ombudsman made six recommendations to Defence to improve consistency and accessibility of the relevant policies.

As part of the Health Check the Office has also completed a review of our Defence abuse reporting function.

We anticipate releasing both reports in the second half of 2019.

The next stage of the Health Check will review the training Defence provides to new recruits in relation to unacceptable behaviour across the three services.

Immigration Ombudsman

The Office investigates complaints about the migration and border protection functions of the Department of Home Affairs and its operational arm, the Australian Border Force (ABF). In addition to dealing with complaints regarding immigration matters, the Office also inspects immigration detention facilities in Australia and elements of offshore processing centres that are within our jurisdiction.

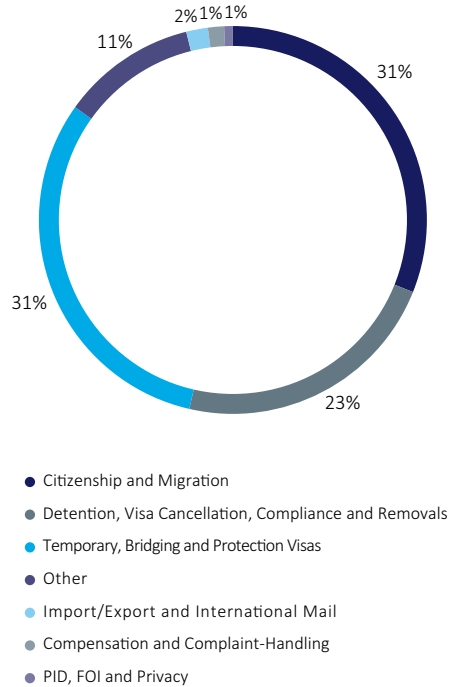
Under the *Migration Act 1958* (Migration Act), the Office also has a statutory role to provide the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs an assessment of the appropriateness of a person's detention when that person has been in immigration detention for two years and every six months thereafter.

Complaints overview

In 2018–19, we received 1,824 complaints about the department, compared with 1,838 complaints in 2017–18.

Complaints concerning Temporary, Bridging and Protection Visas made up the largest category of complaints, followed by Citizenship and Migration, and Detention, Visa Cancellation, Compliance and Removals.

Figure 11—Complaints overview



CASE STUDY

On 22 January 2018, the Department of Home Affairs introduced a new visitor management policy which changed the conditions of entry and entry application process for personal and professional visitors to immigration detention facilities.

The Office monitored the implementation of the policy through our complaints, our inspections of immigration detention facilities and our engagement with stakeholders. In October 2018 we provided an issues paper to the department, outlining our concerns about the policy and making 13 recommendations.

We recommended that the ABF clarify elements of the policy on its website, the

application information sheet and the *Visiting Multiple Detainees* request form; clarify which visitor application process applies to volunteer and community groups and which applies to individuals; and explain how the policy changes would affect these groups on both its website and the *Visiting Multiple Detainees* request form. The department accepted ten of our recommendations.

In April 2019, the department advised us that the ABF website has been updated to clarify and differentiate the process applying to volunteer and community groups and the process applying to individual visitors. The Office has not received any further complaints raising issues about the introduction of the policy.

Own motion investigations

In December 2018 the Office released an own motion investigation report, *Preventing the immigration detention of Australian citizens—Investigation into the Department of Home Affairs’ implementation of the Thom Review*.⁸

The investigation looked into the department’s implementation of recommendations from the *Independent review of the Department of Immigration and Border Protection into the circumstances of the detention of two Australian citizens* by Dr Vivienne Thom AM⁹ at a selection of critical points across the immigration detention process. This identified gaps, where the department’s implementation activities had not entirely met its intent or the intent of the relevant recommendations.

Our report made 15 recommendations to the department to address these gaps. The department accepted the Ombudsman’s recommendations, 14 in full and one in part. The Office is following up on the implementation of these recommendations.

People detained and later released as ‘not unlawful’

The department provides the Office with six-monthly reports on people who were detained and later released as not-unlawful because the department identified the person was an Australian citizen or held a valid visa at the time of detention. Our analysis of these reports indicates that defective notifications continue to be the main cause of inappropriate detention of lawful non-citizens, accounting for 31 of the 44 cases in 2018.

CASE STUDY

A complainant approached our Office as they had recently applied to Centrelink for childcare subsidies and was advised that before their application could be approved, they needed the Department of Home Affairs to update their travel record. The complainant had travelled overseas with their parents when they were a child but their return to Australia was not recorded by the department. The complainant contacted the department, provided exit and re-entry dates and requested that their record be updated.

After some time, they raised a formal complaint with the department about the delay in updating their travel record. As the

complainant could not access the subsidy from Centrelink, they were in debt with the childcare centre and their child was no longer able to attend. A response was received from the department which advised the record could not be updated because there was no record of their return to Australia.

The complainant contacted our Office. The Office considered that there was more the department could do to assist and transferred the complaint to the department. On the same day it received the transferred complaint, the department located and corrected the travel record and advised both the complainant and Centrelink of the correction.

8 http://www.ombudsman.gov.au/__data/assets/pdf_file/0026/92915/December-2018-Preventing-the-immigration-detention-of-Australian-citizens-Investigation-into-the-Department-of-Home-Affairs-implementation-of-the-recommendations-of-the-Thom-Review.pdf

9 <https://www.homeaffairs.gov.au/foi/files/2017/fa171000267-document-released.pdf>

Statutory Reporting under s 486O of the Migration Act

Section 486N of the Migration Act requires the Secretary of the Department of Home Affairs to provide the Ombudsman a report on the detention circumstances of any person who has been in immigration detention for two years, and every six months thereafter. This report includes details of the person's case progression, detention history, medical treatment, family information and any relevant criminal or security concerns.

Under s 486O the Office makes an assessment of the detention circumstances of each person, and provides this assessment to the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs. The assessment may include recommendations the Ombudsman considers appropriate. The Minister tables a de-identified copy in Parliament, which includes a response to any recommendations.

In 2018–19 we received 1,069 s 486N reports from the department. We sent 722 s 486O assessments to the Minister, including 248 recommendations, which were based on 1,034 reports from the department. The recommendations relate to the following issues that have been evidenced through the detention reports this year:

- There is a cohort of people who are in long term detention, either in the community or a detention facility, for whom there is no apparent resolution to their case. These include people who for various reasons cannot be removed from Australia, but who remain in detention as they have been assessed as not passing the character test imposed by the Migration Act. While we recognise the constraints such circumstances place on the Minister and the department, we continue to make recommendations for an outcome for these individuals.
- There is a small number of Irregular Maritime Arrivals (IMAs) who have received an adverse or qualified security assessment (QSA) and continue to be held in immigration detention. Unlike holders of an adverse assessment, detainees with a QSA may be released from an immigration detention facility, either to a community placement or on a bridging visa and we continue to make recommendations for consideration of whether these detainees could be released from an immigration facility either into community detention or on a bridging visa.
- A number of asylum seekers who arrived in Australia by sea after 19 July 2013 and transferred to a Regional Processing Country (RPC) have been returned to Australia to receive medical treatment. Under current policy settings these people remain liable to be returned to an RPC when their medical treatment has concluded. We continue to make recommendations that the department explore options to address this cohort's prolonged detention.
- The movement and placement of individuals in the detention network that impacts their access to family and support networks and their ability to attend specialist medical or court appointments.
- Delays in case progression, including processing of requests for revocation of visa cancellation decisions.
- Family members on different immigration pathways.

Detention inspections

The Migration Act enables the detention of unlawful non-citizens, such as those who enter or remain in Australia without a valid visa. Detention has been mandatory for all unauthorised maritime arrivals since 1994¹⁰ and for people whose visas have been cancelled on character grounds since 2014.¹¹

10 Migration Amendment Act 1992

11 Direction No. 65 Migration Act 1958 Visa refusal and cancellation under s 501 and revocation of a mandatory cancellation of a visa under s 501CA dated 22 December 2014

While placement in an immigration detention facility is mandatory for certain cohorts, it is administrative in nature—an individual is detained for the purpose of conducting an administrative function.

Currently the operations of the immigration detention network are not supported by a legislative framework. The reliance on an administrative rather than a legislative framework to underpin the operations of

the network remains a concern for our Office.

The Office undertakes oversight of immigration detention facilities. The inspection function has been undertaken under the provisions of the Ombudsman’s own motion powers.¹²

During 2018–19 we inspected the immigration detention facilities listed in Table 2.

Table 2—Immigration detention facility inspections

Immigration Detention or Regional Processing Facility	Location	Timing
Adelaide Immigration Transit Accommodation	Adelaide SA	September 2018 April 2019
Brisbane Immigration Transit Accommodation	Brisbane QLD	September 2018 June 2019
Manus Island	Papua New Guinea	July 2018
Melbourne Immigration Transit Accommodation	Melbourne VIC	December 2018 March 2019
Nauru Regional Processing Centre	Nauru	December 2018
Christmas Island Immigration Detention Centre	Christmas Island Indian Ocean Territories	August 2018
Perth Immigration Detention Centre	Perth WA	October 2018 May 2019
Villawood Immigration Detention Centre	Sydney NSW	October 2018 April 2019
Yongah Hill Immigration Detention Centre	Northam WA	October 2018 April 2019
Transfer Operations	Sydney-Melbourne-Perth- Perth-Melbourne Melbourne-Sydney-Brisbane-Perth- Melbourne	August 2018 March 2019

¹² *Ombudsman Act 1976* (Cth)s 5(1)(b)

During these inspections we examine the administrative and operational practices and procedures of the centres. The Office provides feedback to the facility after each visit, including any observations and suggestions. The Office submits a formal report to the department at the end of each inspection cycle (every six months) to summarise our inspection activities and observations.

The issues that arose over this reporting period include:

- placement of detainees in the detention network
- security risk rating assessment
- use of certain restrictive practices in detention
- use of security-based models within administrative detention
- internal complaint management
- facilities available within the new high security compounds
- introduction of the high security vehicles
- management of non-medical Alternative Places of Detention (APOD)

Assessments of the services provided to asylum seekers undergoing regional processing on Nauru and/or Papua New Guinea is limited to those functions directly contracted by the Australian Government and provided onsite to asylum seekers and refugees. This assessment does not consider the actions or the services provided by the respective host nations.

Placement of detainees in the detention network

The Australian Government, through the Australian Border Force (ABF) and its respective facility Superintendents, has a duty of care to all detainees.¹³ The Office continues to be concerned

about the number of detainees who are placed in facilities which are in a different state to their families or support networks. We acknowledge that operational needs, such as the shortage of beds in a number of east coast centres and security risk ratings, will have an impact on placement decisions. We have noted improvements in placement decisions, with greater weighting being placed on family, medical and legal considerations.

We encourage the ABF to continue to take all relevant information into account when placing detainees in the network, including considering the positive influence on detainees of being placed in locations that maintain strong family engagement, access to legal representatives and support networks.

Security risk assessments

The Office continues to be concerned about the consequences of an inaccurate or a poorly analysed security risk assessment that is applied to a detainee without consideration of individual circumstances. During our inspections we undertook assessments of the security risk assessment processes in each facility and noted ongoing issues with the algorithm that underpins the security risk assessment tool. The algorithms appear to be rigid in their application and make linkages between behaviours and outcomes that are not supported by the evidence available to the analyst.

The ABF had scheduled a review of its security risk assessment process including the assessment tool for this reporting period, but this did not eventuate.

¹³ Behrooz v Secretary of the Department of Immigration and Multicultural and Indigenous Affairs [2004] HCA 36; 219 CLR 486; 208 ALR 271; 78 ALJR 1056 (6 August 2004) Gleeson CJ at para [21].

Restrictive practices in detention

The department and their service providers have a duty of care to both detainees and staff to protect them from violent or aggressive behaviours and damage to people or property. We acknowledge that there are occasions where, for the good order, security and welfare of the facility, a detainee may need to be placed in restraints or moved to a low stimulus environment (High Care Accommodation). However we have noted the following concerns.

Use of restraints

We acknowledge mechanical restraints may be required for detainees who pose an unacceptable flight risk or are of such a violent disposition that there is no other option to address the risk of injury to themselves or others and/or damage to property. We remain concerned that the use of mechanical restraints is the first rather than last choice to address these risks, especially during:

- long haul air transfers where detainees are mechanically restrained with two escorting officers for the duration of the flight
- attendance at medical or other appointments where we have been advised by detainees that they have declined to attend medical appointments as being handcuffed and walked through a hospital or other public area is demeaning and embarrassing.

Security-based model of administrative detention

We acknowledge that the number of detainees currently in immigration detention with histories of violent or anti-social behaviours requires an increased focus on safety and security. During 2018-19 we noted the continued use of 'controlled movement models', with the most restrictive of all operational models being the preferred operating model for the majority of the network. This was particularly evident in facilities where high security compounds were newly commissioned and the

detainee population had increased with the transfer of detainees from high security facilities to facilities that had once been a low/medium security facility.

In this model, detainees are restricted to specific compounds and are unable to move freely within the centre. We acknowledge there are circumstances where this model is appropriate, such as in facilities where detainees are vulnerable to coercion or intimidation immediately following periods of unrest or where the detainees' ongoing behaviours warrant a high level of protective security. However, this model should not be the first preference for an administrative detention environment.

We remain concerned that security is consistently outweighing welfare considerations in operational decision making. Both welfare and security considerations are of equal importance and neither should be automatically preferred when operational matters are being decided.

Internal complaint management

The management of internal complaints continued to be one of our primary focuses during the 2018-19 period. Record-keeping and investigative practices remain inconsistent throughout the network. While we noted strong record-keeping and investigative practices in some facilities, we noted a significant deterioration in other facilities. We continued to work with stakeholders during this period to address the shortfalls in record-keeping and complaint resolution practices, including the development of effective complaint management process and internal quality assurance processes.

Facilities

During this reporting period the Maribyrnong Immigration Detention Centre (IDC) closed and the Christmas Island IDC was placed into contingency mode, then reopened again. Redevelopment of the Melbourne and Brisbane Immigration Transit

Accommodation Centres (ITA) and the Yongah Hill IDC were also completed in this period.

The modularised high security compounds at Melbourne ITA and Yongah Hill IDC were commissioned during the latter period of this reporting period. We noted a number of significant shortfalls in the provision of suitable accommodation in these compounds including:

- Mobility access to accommodation units. Most of the new high security compounds do not adequately provide for a mobility impaired detainee and do not appear to meet the required access standards.¹⁴ In one of the facilities we observed that the outside areas of the compounds, including recreation space, pose a significant risk of trips or falls for all detainees due to poor drainage and inadequate preparation of the compound prior to occupancy.
- Privacy considerations in reception, rooms and High Care Accommodation.
- Lack of facilities to appropriately distribute medicines.
- Lack of facilities for programs and activities, for example the programs and activities rooms within the compounds had not been fitted out with appropriate equipment and remained empty, the access to seating in the common rooms was poorly designed and there was limited access to individual entertainment.
- The accommodation rooms do not have any capacity for detainees to secure personal property in their possession.

Transport and Escort

During this inspection cycle we observed the introduction of the Serco high security vehicle. This vehicle is based on a custodial services vehicle used to transport convicted criminals between facilities or courts.

During 2018–19 these vehicles were in use without appropriate guidelines or directions in place as to how this vehicle was to be used, under what circumstances and with whose authority.

We acknowledge that the ABF has directed the vehicles be removed from the authorised fleet. We remain of the view that new equipment including vehicles should not be introduced without detailed policy and procedural guidelines being in place.

Alternative Places of Detention (APOD)

An APOD is any place declared to be a place of detention and may include hospital facilities, mental health facilities, and hotel rooms or serviced apartments. APODs are established where it is not appropriate to house a person in an established detention facility and can exist for periods of a few hours to weeks or months.

During 2018–19 we noted an increase in the use of APODs to house family groups with children and other vulnerable detainees including medical transferees and their support from regional processing countries.

We acknowledge that choice and location of an APOD that is not a medical facility is dictated by availability and appropriate cost considerations. However, we have noted that a number of motels used as APODs have limited onsite access to outdoor recreational space, educational, cultural and religious activities. The lack of outdoor space is of particular concern when children are involved.

Where an APOD is established and is likely to be in operation for more than a few days it is reasonable for the detainees to have access to appropriate welfare and engagement services including programs and activities. In a number of locations it was apparent these services had not been provided. In one particular location, service providers were confused as to what level of welfare support should be provided at an APOD, and who should provide it.

¹⁴ Disability (Access to Premises —Buildings) Standards 2010

Oversight of Law Enforcement

Law Enforcement Ombudsman

Our role as the Law Enforcement Ombudsman involves oversight of the Australian Federal Police (AFP), for which we have three main functions. We assess and investigate complaints about the AFP, receive mandatory notifications from the AFP regarding complaints about serious misconduct involving its members, under the *Australian Federal Police Act 1979* (AFP Act), and conduct statutory reviews of the AFP's administration of Part V of the AFP Act.

Complaints overview

In 2018–19 we received 262 complaints and finalised 263 complaints about the AFP.¹⁵ This is a 1.6 per cent decrease from complaints received in 2017–18. The issues raised by the public in AFP

complaints to our Office concerned:

- inappropriate action, including the failure to investigate complaints or inadequate investigation of complaints
- customer service experiences when making complaints.

Under the AFP Act, the AFP is required to notify our Office about any complaints it receives about serious misconduct matters. The AFP complied with this obligation during 2018–19.

The Office conducted one review of the AFP's administration of Part V of the AFP Act during the year, with the report to be published in 2019–20. We published the 2017–18 annual report under Part V of the AFP Act in May 2019. As part of this year's review, we engaged with the AFP Professional Standards (PRS) team and Safe Place team¹⁶ to discuss their management of complaints under Part V of the AFP Act.

CASE STUDY

AFP Safe Place was established to provide support to people who have suffered sexual harassment or bullying and to give them the reassurance that their concerns will be treated with respect, sensitivity and confidentiality. Safe Place is available to former and current AFP members, who are encouraged to bring matters to the team, even if they have already reported previously through existing processes. In 2017–18, we met with representatives from Safe Place to discuss their management of complaints under Part V of the AFP Act.

In 2018–19, we made recommendations to the AFP regarding Safe Place and the handling of complaints. These recommendations included:

- The AFP update its policies and procedures to provide both written and verbal information to complainants to ensure they are provided with consistent information and the integrity of the investigation and decision process can be easily established and reviewed.
- The AFP ensure investigators are aware of appropriate notification practices and procedures.

The AFP undertook to implement our recommendations to improve its policies and procedures in relation to Safe Place. The Office will continue to monitor this program through our reviews under Part V of the AFP Act, regular liaison with the AFP and any complaints we may receive.

15 This includes 61 complaints received about ACT Policing. ACT Policing complaints are also reported in the **ACT Ombudsman Annual Report 2018–19**.

16 The AFP's Safe Place team was established to provide support to complainants and to investigate sexual harassment and abuse, following an independent review of the organisation by former Sex Discrimination Commissioner Elizabeth Broderick.

Our 2017–18 reviews found the AFP’s administration of Part V of the Act to be comprehensive and adequate with matters investigated appropriately. However, we identified some deficiencies in how the AFP responds to practices issues and made several suggestions to improve record-keeping processes, and adherence to legislative requirements and standard operating procedures.

Inspections of covert, intrusive or coercive powers

Oversight activities

In 2018–19, the Office performed oversight functions under various pieces of legislation which grant intrusive and covert powers to certain law enforcement agencies, for example under the *Telecommunications (Interception and Access) Act 1979*, the *Surveillance Devices Act 2004* and Part IAB of the *Crimes Act 1914*.

We are required to inspect the records of enforcement agencies and report to the Minister¹⁷ on agencies’ compliance with the above legislation. Reports to the Minister are subsequently tabled in Parliament.

The Office also performed oversight functions in relation to specific coercive information gathering powers¹⁸ used by the Fair Work Ombudsman (FWO) under the *Fair Work Act 2009*, and the Australian Building and Construction Commission (ABCC) under the *Building and Construction Industry (Improving Productivity) Act 2016*. Our role is to review and report quarterly to Parliament on the exercise of these powers by the ABCC and FWO.

17 Currently the Minister for Home Affairs is responsible for administering the *Telecommunications (Interception and Access) Act 1979*, the *Surveillance Devices Act 2004* and Part IAB of the *Crimes Act 1914*.

18 Examination notices requiring a person to give information, produce documents or attend before the relevant agency to answer questions relevant to the investigation.

Overview of our oversight activities in 2018–19

Table 3—Law enforcement and integrity agencies subject to inspections and reviews by the Office

Power	Legislation	Agencies subject to inspection
Controlled operations authorities	<i>Crimes Act 1914</i> – Part IAB	AFP ACLEI ACIC
Delayed notification search warrants	<i>Crimes Act 1914</i> – Part IAAA	AFP
Control orders	<i>Crimes Act 1914</i> – Part IAAB	AFP
Industry assistance requests and notices	<i>Telecommunications Act 1997</i> – Part 15	All State/Territory police forces, plus: AFP ACIC
Telecommunications interceptions	<i>Telecommunications (Interception and Access) Act 1979</i> – Chapter 2	AFP ACLEI ACIC
Stored communications	<i>Telecommunications (Interception and Access) Act 1979</i> – Chapter 3	All State/Territory police forces, plus: ACIC ACCC ACLEI AFP ASIC Corruption & Crime Commission (WA) Crime & Corruption Commission (QLD) Home Affairs IBAC (Victoria) Law Enforcement Conduct Commission NSW Crime Commission ICAC (NSW) ICAC (SA)
Telecommunications data (metadata)	<i>Telecommunications (Interception and Access) Act 1979</i> – Chapter 4	

Power	Legislation	Agencies subject to inspection
Surveillance device warrants	<i>Surveillance Devices Act 2004</i>	All State/Territory police forces, plus: ACIC ACLEI AFP Corruption & Crime Commission (WA) Crime & Corruption Commission (QLD) Law Enforcement Conduct Commission NSW Crime Commission ICAC (NSW)
Part V	Part V of the <i>Australian Federal Police Act 1979</i>	AFP

Table 4—Non-law enforcement agencies subject to review by the Office

Power	Legislation	Agencies subject to inspection
Exercise of examination powers	<i>Building and Construction Industry (Improving Productivity) Act 2016</i>	Australian Building and Construction Commission
Exercise of examination powers	<i>Fair Work Act 2009</i>	Fair Work Ombudsman

Table 5—Inspections conducted during 2018–19

Function	Number of inspections
Inspection of telecommunications interception records under the <i>Telecommunications (Interception and Access) Act 1979</i>	6
Inspection of stored communications—preservation and access records under the <i>Telecommunications (Interception and Access) Act 1979</i>	10
Inspection of telecommunications data records under the <i>Telecommunications (Interceptions and Access) Act 1979</i>	10
Inspection of the use of surveillance devices under the <i>Surveillance Devices Act 2004</i>	3
Inspection of controlled operations conducted under Part IAB of the <i>Crimes Act 1914</i>	3
Total	32

Table 6—Reviews conducted during 2018–19

Function	Number of reviews
Review of Fair Work Ombudsman use of its coercive examination powers under the <i>Fair Work Act 2009</i> .	2
Review of the Australian Building and Construction Commission’s use of coercive examination powers under the <i>Building and Construction Industry (Improving Productivity) Act 2016</i>	4
Australian Federal Police’s administration of Part V of the <i>Australian Federal Police Act 1979</i>	1
Total	7

Our approach

Our Office values independence, fairness and transparency. These values inform the way we conduct inspections and reviews and how we engage with the agencies.

We give notice to agencies of our intention to conduct an inspection and provide them with a broad outline of the criteria against which we assess compliance. We encourage agencies to voluntarily disclose any instances of non-compliance to our Office, including any remedial action they have taken.

For each of these inspection and review functions, we have established methodologies we consistently apply across all agencies. These methodologies comprise of test plans, risk registers and checklists. These methodologies are based on legislative requirements and best practice standards, ensuring the integrity of each inspection and review. It is our practice to regularly review our methodologies to reflect legislative change and ensure their effectiveness.

We focus our inspections and reviews on areas of high risk, taking into consideration the impact of non-compliance, such as unnecessary privacy

intrusions. We also help agencies in ensuring compliance, through assessing agencies’ policies and procedures, communicating best practices to meet compliance and engaging with agencies outside of the formal inspection or review process.

Reports

Our reports detail the extent of an agency’s compliance with the legislative requirements for using certain covert, intrusive and coercive powers. We do this by assessing the extent to which agencies are able to demonstrate they have met the relevant legislative requirements.

In addition to agencies’ practical compliance, we also consider their organisational culture regarding compliance. We often find that a good compliance culture results in greater levels of practical compliance.

During 2018–19 we produced 17 public reports.¹⁹

¹⁹ Available on our website at: <http://www.ombudsman.gov.au/publications/reports/inspection>.

Table 7—Public reports produced during 2018–19

Report	Date finalised
Quarterly report by the Commonwealth Ombudsman under s 65(6) of the <i>Building and Construction Industry (Improving Productivity) Act 2016</i> —for the period 1 July to 30 September 2017	July 2018
A report on the Commonwealth Ombudsman’s activities in monitoring controlled operations under s 15HO of the <i>Crimes Act 1914</i> —for the period 1 July 2016 to 30 June 2017	August 2018
Report to the Minister for Home Affairs on agencies’ compliance with the <i>Surveillance Devices Act 2004</i> —for the period 1 January to 30 June 2018	September 2018
A report on the Commonwealth Ombudsman’s monitoring of agency access to stored communications and telecommunications data under Chapters 3 and 4 of the <i>Telecommunications (Interception and Access) Act 1979</i> —for the period 1 July 2016 to 30 June 2017	November 2018
Quarterly Report by the Commonwealth Ombudsman under s 712F(6) of the <i>Fair Work Act 2009</i> —for the period 15 September to 31 December 2017	December 2018
Quarterly Report by the Commonwealth Ombudsman under s 712F(6) of the <i>Fair Work Act 2009</i> —for the period 1 January to 31 March 2018	December 2018
Quarterly Report by the Commonwealth Ombudsman under s 712F(6) of the <i>Fair Work Act 2009</i> —for the period 1 April to 30 June 2018	December 2018
Quarterly Report by the Commonwealth Ombudsman under s 712F(6) of the <i>Fair Work Act 2009</i> —for the period 1 July to 30 September 2018	December 2018
A report on the Commonwealth Ombudsman’s inspection of the Australian Federal Police under the <i>Telecommunications (Interception and Access) Act 1979</i> —compliance with journalist information warrant provisions	January 2019
Quarterly Report by the Commonwealth Ombudsman under s 65(6) of the <i>Building and Construction Industry (Improving Productivity) Act 2016</i> —for the period 1 October to 31 December 2017	February 2019
Report to the Minister for Home Affairs on agencies’ compliance with the <i>Surveillance Devices Act 2004</i> —for the period 1 July to 31 December 2018	March 2019
A report on the Commonwealth Ombudsman’s monitoring of agency access to stored communications and telecommunications data under Chapters 3 and 4 of the <i>Telecommunications (Interception and Access) Act 1979</i> —for the period 1 July 2017 to 30 June 2018	March 2019
A report on the Commonwealth Ombudsman’s activities under Part V of the <i>Australian Federal Police Act 1979</i> —for the period 1 July 2017 to 30 June 2018	May 2019
Quarterly Report by the Commonwealth Ombudsman under s 65(6) of the <i>Building and Construction Industry (Improving Productivity) Act 2016</i> —for the period 1 January to 31 March 2018	June 2019

Report	Date finalised
Quarterly Report by the Commonwealth Ombudsman under s 65(6) of the <i>Building and Construction Industry (Improving Productivity) Act 2016</i> —for the period 1 April to 30 June 2018	June 2019
Quarterly Report by the Commonwealth Ombudsman under s 65(6) of the <i>Building and Construction Industry (Improving Productivity) Act 2016</i> —for the period 1 July to 30 September 2018	June 2019
Quarterly Report by the Commonwealth Ombudsman under s 65(6) of the <i>Building and Construction Industry (Improving Productivity) Act 2016</i> —for the period 1 October to 31 December 2018	June 2019

To ensure procedural fairness, reports that incorporate our inspection or review results are given to each agency for an opportunity to comment on our findings before the results are finalised. Depending on our reporting requirements, the final report is either presented to the relevant Minister²⁰ for inclusion in their annual report or for tabling in Parliament, or forms the basis of our Office’s published reports.²¹

For our published reports we remove reference to any sensitive information that could undermine or compromise law enforcement activities.

Although we produced a number of reports during 2018–19, we were unable to finish one of our annual inspection reports, two quarterly review reports and a report on the activities under Part V of the *Australian Federal Police Act 1979*.

The following reports will be finalised early in 2019–20:

- A report on the Commonwealth Ombudsman’s activities in monitoring controlled operations under s 15HO of the *Crimes Act 1914*—for the period 1 July 2017 to 30 June 2018.

- Our quarterly report by the Commonwealth Ombudsman under s 65(6) of the *Building and Construction Industry (Improving Productivity) Act 2016*—for the period 1 January to 31 March 2019.
- Two quarterly reports by the Commonwealth Ombudsman under s 712F(6) of the *Fair Work Act 2009*—for the period 1 October to 31 December 2018 and for the period 1 January to 31 March 2019.

Parliamentary Joint Committee appearances

In 2018–19 we appeared before and made submissions to the Parliamentary Joint Committee on Intelligence and Security regarding the *Telecommunications and Other Legislation Amendment (Assistance and Access) Bill 2018*.

We briefed the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity (ACLEI) regarding ACLEI’s controlled operations. We also briefed the Parliamentary Joint Committee for Law Enforcement regarding controlled operations by the AFP and the Australian Criminal Intelligence Commission (ACIC).

²⁰ Under the Commonwealth of Australia, Administrative Arrangements Order, the Minister who responsible for the administration of the relevant legislation we oversee is the Minister for Home Affairs.

²¹ All of our reports once tabled in Parliament are made publically available on our website.

Telecommunications and Other Legislation Amendment (Assistance and Access) Act 2018

In December 2018 the *Telecommunications and Other Legislation Amendment (Assistance and Access) Act 2018* amended, among other things, the Surveillance Devices Act. These amendments established a new intrusive power, through a new type of warrant, called a computer access warrant. It also included a new type of emergency authorisation for access to data held in computers. Amendments were implemented to address industry identified capability gaps and strengthen law enforcement agencies' ability to collect encrypted information. Our Office has oversight of the Surveillance Devices Act, including how law enforcement agencies use these computer access warrant powers.

The Assistance and Access Act also provided certain law enforcement agencies with new powers under Part 15 of the *Telecommunications Act 1997* to request or require assistance from a communications provider in order to enforce the criminal law. Agencies must advise our Office if they issue a request or notice and we may inspect, and/or prepare a report about agencies' use of the industry assistance powers.

As agencies increase their use of these new intrusive powers, our Office's oversight will also increase.

Stakeholder engagement

During 2018–19, we provided advice and training to law enforcement agencies about compliance issues and best practice in compliance and complaint-handling. This included participating in, and presenting at forums and workshops held by the law enforcement community, as well as formal meetings with agencies.

In June 2019 the Office hosted the first of three forums for representatives of the 21 enforcement agencies we oversee. The forum, held in Brisbane,

focused on compliance when using covert and intrusive powers. The forum was an opportunity for attendees to discuss best practices, concerns and newly legislated powers, and to obtain information about preparing for 2019–20 compliance inspections. We will hold forums in Canberra and Melbourne in July 2019.

Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment

The Optional Protocol to the Convention against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment (OPCAT) is an international treaty designed to strengthen protections for people in situations where they are deprived of their liberty and potentially vulnerable to mistreatment or abuse. OPCAT was ratified by the Australian Government on 21 December 2017.

OPCAT requires signatory countries to establish domestic oversight bodies known as National Preventive Mechanisms (NPMs), which undertake a regime of preventive inspections into places of detention. Ratification of OPCAT also requires the Australian Government to accept visits from the United Nations Subcommittee on Prevention of Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (SPT), which comprises of international experts on detention and related functions.

At the time of ratification, the Australian Government made a declaration under Article 24 of OPCAT formally delaying the obligation to establish Australia's NPM for an additional three year period. The mandate allowing for in-country visits by the SPT has not been delayed.

As each government is proposed to retain authority for oversight of places of detention in their

jurisdiction, Australia's NPM will be a cooperative network (the NPM network) of Commonwealth, state and territory inspectorates (NPM bodies), facilitated and coordinated by an NPM Coordinator.

The Office of the Commonwealth Ombudsman is appointed as the NPM body for places of detention under the control of the Commonwealth and as the NPM Coordinator. Regulations establishing both functions came into effect from 10 April 2019.²²

The NPM body for places of detention under the control of the Commonwealth

As the NPM body for places of detention under the control of the Commonwealth, we will continue to inspect Australian immigration detention facilities. In addition we will undertake inspections of Australian Defence Force detention facilities and Australian Federal Police cells. As the NPM body for places of detention under the control of the Commonwealth we do not have any authority to inspect state and territory places of detention, nor direct the activities of the state and territory bodies who will form the NPM network.

The Commonwealth Ombudsman will commence trial OPCAT inspections of places of detention under the control of the Commonwealth in mid-2019, in anticipation of the full OPCAT compliant inspections commencing for all places of detention under the control of the Commonwealth by January 2021. We trialled some aspects of OPCAT-compliant inspections in our visit to the Brisbane Immigration Transit Accommodation in June 2019. To assist us in this process, two members of the NZ Ombudsman's Office also attended the inspection and provided us with feedback to help develop our OPCAT inspection methodology.

The NPM Coordinator

As the NPM Coordinator, our role is to work with the oversight bodies that will form the NPM network,

helping to develop and support processes and best practices to meet the intended outcomes of the NPM network. Places of detention that are the initial focus of OPCAT activity include adult prisons (including corrective centres and work camps), juvenile detention centres, closed psychiatric facilities, closed forensic disability facilities and police cells. In our role as the NPM Coordinator we do not have authority over other inspectorates and will not engage in secondary inspections of these facilities.

Although other NPMs are yet to be nominated, our Office has actively engaged with oversight bodies that may have an interest in OPCAT implementation. In particular, we instigated outreach with bodies and office holders in each jurisdiction that may have a role in the future NPM network. In 2018–19, senior members of the Office met with 62 bodies which have a current inspection or oversight function, or have a wider interest in the progress of OPCAT implementation in Australia. We also continue to work with the Australian Human Rights Commission's civil society consultations and welcome input into the development of the NPM functions.

Report by the NPM Coordinator

As a result of our engagement with current oversight bodies we have prepared a draft report that provides a comprehensive, contemporary overview of Australia's readiness to implement OPCAT. The report contains a baseline assessment of OPCAT readiness and also maps the types of places of detention within Australia.

The draft report will be provided to Attorney-General's for comment. It is planned to be published in 2019–20.

²² <https://www.legislation.gov.au/Details/F2019L00591>

Our role as an Industry Ombudsman

Our role as an Industry Ombudsman includes: Private Health Insurance, Postal Industry, VET Student Loans and the Overseas Students Ombudsman functions. In these functions we provide independent complaint-handling and resolution services for consumers, build industry capacity in complaint-handling and service delivery and also manage the privatehealth.gov.au consumer website, which is the leading source of independent consumer information about health insurance.

Private Health Insurance Ombudsman

As the Private Health Insurance Ombudsman our role is to protect the interests of consumers in relation to private health insurance. Our Office is

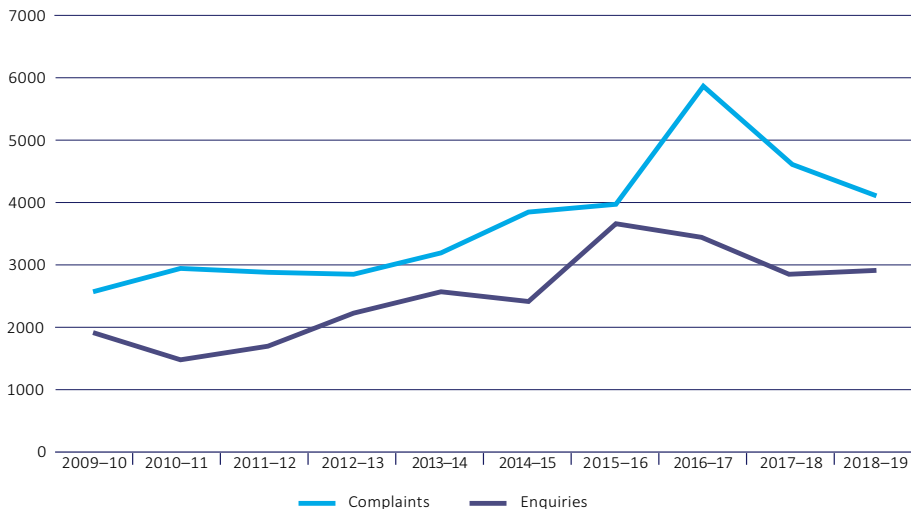
an independent body that acts to resolve disputes about private health insurance at all levels within the private health industry. We also report and give advice to industry and government about these issues.

Complaints overview

In 2018–19 we received 4,042 complaints, an 11 per cent decrease on the previous year's total of 4,553. The number of private health insurance complaints received had increased significantly over the last decade and peaked in 2016–17, as shown in Figure 12.

The number of consumer information enquiries received relating to private health insurance increased by five per cent in 2018–19. We received 3,064 enquiries, of which 57 per cent were received through the consumer website privatehealth.gov.au.

Figure 12—Total complaints and enquiries by Year



Complaint-handling processes and categories

In 2018–19, 71 per cent of complaints were finalised as ‘assisted referrals’. In these cases we refer a complaint directly to a nominated representative of the insurer or service provider, on behalf of the complainant. Our assisted referral process ensures a quicker resolution of the complaint and client satisfaction survey responses show that complainants have a high satisfaction rate with this method of complaint resolution.

Eleven per cent of complaints were finalised through a ‘standard referral’—that is, the complainant received advice from our Office and then lodged their complaint directly with the appropriate body themselves.

Approximately six per cent of complaints were classified as ‘grievances’. These complaints are finalised by considering the issue and providing more information or a clearer explanation directly to the complainant, without the need to contact or seek additional information from the health insurer or health care provider.

Approximately 13 per cent of complaints were classified as ‘disputes’ (a slight decrease from 14

per cent in 2017–18). In these cases, we request a detailed report from the health insurer or other subject of the complaint.²³ The report is then reviewed and a decision is made on whether the initial response was satisfactory or if further investigation is warranted.

Of disputes handled by our Office, 61 per cent were resolved by giving a more detailed explanation to the complainant, 16 per cent were resolved by a payment and 21 per cent by another satisfactory outcome (for example, backdating a change to a policy).

Client satisfaction survey

We carry out a fortnightly postal survey to a sample of complainants who have had their cases recently finalised. In 2018–19 we received 146 survey responses (27 per cent), a reasonable participation rate for a postal survey of this kind.

Overall, 89 per cent of complainants who responded were satisfied or very satisfied with the handling of their complaint, compared to 81 per cent in 2017–18. The results show that 83 per cent of survey respondents were happy with the time it took to resolve their complaints, compared to 78 per cent in the previous year.

Table 8—Complainant survey

	2017–18	2018–19
Overall satisfaction	81%	89%
Agreed that staff listened adequately	88%	93%
Satisfied with staff manner	84%	90%
Resolved complaint or provided adequate explanation	83%	89%
Thought PHIO acted independently	83%	89%
Would recommend PHIO to others	80%	89%
Happy with time taken to resolve complaint	78%	83%

²³ Hospital, medical or other practitioner or health insurance broker.

Complaints about private health insurers

The following table shows the number of complaints and disputes received about registered private health insurers, compared to the insurers'

market shares. A higher ratio of complaints or disputes compared to market share can indicate an inadequate internal dispute resolution process, especially for complex issues, or underlying systemic or policy problems.

Table 9—2018-19 complaints and disputes about registered private health insurers

	Complaints ²⁴	Percentage of complaints	Disputes ²⁵	Percentage of disputes	Market share ²⁶
ACA Health Benefits	2	0.1%	0	0.0%	0.1%
Australian Unity	170	5.0%	6	1.6%	2.9%
Bupa	820	24.0%	122	33.1%	26.3%
CBHS	59	1.7%	10	2.7%	1.5%
CBHS Corporate	1	0.0%	0	0.0%	<0.1%
CDH – Hunter Health Insurance	1	0.0%	0	0.0%	<0.1%
CUA Health	23	0.7%	5	1.4%	0.6%
Defence Health	37	1.1%	5	1.4%	2.1%
Doctors' Health Fund	11	0.3%	1	0.3%	0.3%
Emergency Services Health	3	0.1%	1	0.3%	<0.1%
GMHBA	127	3.7%	13	3.5%	2.4%
Grand United Corporate Health	35	1.0%	5	1.4%	0.4%
HBF (incl. GMF/Healthguard)	207	6.1%	16	4.3%	7.8%
HCF	525	15.4%	54	14.6%	10.7%
HCI	5	0.1%	0	0.0%	0.1%
Health Partners	16	0.5%	3	0.8%	0.6%
Health.com.au	43	1.3%	12	3.3%	0.6%

24 Total number of complaints (Assisted Referrals, Standard Referrals, Grievances & Disputes) regarding Australian registered health insurers. This table excludes complaints regarding OVHC and OSHC insurers, and other bodies.

25 Disputes required the intervention of the Ombudsman and the health insurer.

26 Source: Australian Prudential Regulation Authority, Market Share, All Policies, 30 June 2018.

	Complaints ²⁴	Percentage of complaints	Disputes ²⁵	Percentage of disputes	Market share ²⁶
HIF	36	1.1%	2	0.5%	0.8%
Latrobe Health	18	0.5%	3	0.8%	0.7%
Medibank Private (incl. AHM)	761	22.3%	61	16.5%	26.9%
Mildura Health Fund	3	0.1%	1	0.3%	0.2%
MO Health	8	0.2%	0	0.0%	0.1%
National Health Benefits (Onemedifund)	0	0.0%	0	0.0%	0.1%
Navy Health	12	0.4%	1	0.3%	0.3%
NIB Health	287	8.4%	33	8.9%	8.5%
Nurses and Midwives	2	0.1%	0	0.0%	<0.1%
People Care	19	0.6%	4	1.1%	0.5%
Pheonix Health Fund	14	0.4%	1	0.3%	0.1%
Police Health	1	0.0%	1	0.3%	0.3%
QLD Country Health Fund	5	0.1%	1	0.3%	0.4%
Railway and Transport	21	0.6%	2	0.5%	0.4%
Reserve Bank Health	0	0.0%	0	0.0%	<0.1%
St Lukes Health	11	0.3%	2	0.5%	0.5%
Teachers Health	85	2.5%	1	0.3%	2.4%
Transport Health	10	0.3%	1	0.3%	0.1%
TUH	18	0.5%	2	0.5%	0.6%
Westfund	19	0.6%	0	0.0%	0.7%
Total	3,415		369		

Complaints about hospitals, health professionals, brokers and others

Most complaints (86 per cent in 2018–19) were

about health insurers. However, complaints can also be about providers, such as hospitals, health insurance brokers, doctors and dentists.

Table 10—Number of complaints about insurers and providers

	2017–18	2018–19
Health Insurers	3,874	3,415
Hospitals	57	45
Overseas Visitors Insurers	441	404
Doctors & Practitioners	25	29
Health Insurance Brokers	83	67
Other ²⁷	73	82
Total	4,553	4,042

Complaint issues

The following issues are the four most frequently raised issues in complaints received throughout 2018–19.

Benefit

Complaints: 1,299

The main issue of concern was hospital policies²⁸ with unexpected exclusions and restrictions. Some basic and budget levels of hospital cover exclude or restrict services that many consumers assume are routine treatments or standard items. Delays in benefit payments and complaints about insurer rules that limited benefits also represented a significant proportion of complaints received.

Membership

Complaints: 693

Membership complaints typically involved policy administration issues, such as processing cancellations or payment of premium arrears. Delays in providing clearance certificates when transferring between health insurers was also a major cause of complaint.

Service

Complaints: 533

Service issues are not usually the sole reason for complaints. A combination of unsatisfactory customer service, untimely responses to simple issues, and poor internal escalation processes can cause policy-holders to grow increasingly aggrieved and dissatisfied with their dealings with the insurer, until the service itself becomes a cause of complaint as well as the original issue.

²⁷ Other includes complaints about legislation, ambulance services, industry peak bodies, and general complaints about private health insurance.

²⁸ Hospital policy is private health insurance that covers costs incurred by a private patient in hospital.

Information

Complaints: 419

Information complaints usually arise because of disputes or misunderstandings about verbal or

written information provided by an insurer. Verbal advice is the cause for more complaints than any other information issue. It can be particularly complex if the insurer has not kept a clear record or call recording of interactions with the complainant.

Table 11—Complaint issues

ISSUE Sub-issue	2017–18	2018–19
BENEFIT	1,641	1,299
Accident and emergency	70	63
Accrued benefits	14	6
Ambulance	76	55
Amount	91	59
Delay in payment	136	142
Excess	65	56
Gap- Hospital	69	83
Gap- Medical	138	86
General treatment (extras/ancillary)	282	269
High cost drugs	7	6
Hospital exclusion/restriction	397	242
Insurer rule	120	57
Limit reached	25	14
New baby	17	10
Non-health insurance	9	3
Non-health insurance- overseas benefits	0	0
Non-recognised other practitioner	11	10
Non-recognised podiatry	8	6
Other compensation	18	9
Out of pocket not elsewhere covered	17	29
Out of time	22	19
Preferred provider schemes	37	36

ISSUE Sub-issue	2017-18	2018-19
Prostheses	8	34
Workers compensation	4	5
CONTRACT	43	35
Hospitals	22	20
Preferred provider schemes	20	10
Second tier default benefit	1	5
COST	120	72
Dual charging	3	18
Rate increase	117	54
INCENTIVES	241	274
Lifetime Health Cover	206	186
Medicare Levy Surcharge	14	12
PHI Reforms	n/a	61
Rebate	18	12
Rebate tiers and surcharge changes	3	3
INFORMATION	476	419
Brochures and websites	48	26
Lack of notification	50	44
Radio and television	1	0
Standard Information Statement	4	12
Verbal advice	341	298
Written advice	32	39
INFORMED FINANCIAL CONSENT	73	48
Doctors	15	11
Hospitals	54	25
Other	4	12
MEMBERSHIP	867	693
Adult dependents	35	20
Arrears	67	61

ISSUE Sub-issue	2017–18	2018–19
Authority over membership	25	32
Cancellation	379	291
Clearance certificates	159	126
Continuity	101	77
Rate and benefit protection	10	12
Suspension	91	74
OTHER	202	323
Access	0	3
Acute care and type C certificates	15	18
Community rating	2	1
Complaint not elsewhere covered	63	41
Confidentiality and privacy	14	18
Demutualisation/sale of health insurers	1	2
Discrimination	2	6
Medibank sale	1	0
Non-English speaking background	0	0
Non-Medicare patient	5	3
Private patient election	5	8
Rule change	94	223
SERVICE	675	533
Customer service advice	113	69
General service issues	219	180
Premium payment problems	271	200
Service delays	72	84
WAITING PERIOD	475	440
Benefit limitation period	1	0
General	49	40

ISSUE Sub-issue	2017-18	2018-19
Obstetric	35	33
Other	23	18
Pre-existing conditions	367	349

Case Studies

CASE STUDY

A complainant was told by a medical specialist that their child needed elective surgery. They had purchased hospital cover from a health insurer less than 12 months earlier. They called the insurer to check whether the costs associated with the surgery would be covered. Based on the verbal information from the insurer, they booked the surgery for their child.

The complainant used family's savings to pay for the procedure and made a claim with the insurer for reimbursement. Two weeks later, the insurer told them that the claim could not be paid. They explained that an independent medical advisor had assessed their child's condition to be pre-existing.

The complainant came to our Office for help. We contacted the insurer and asked

for copies of all communication with the complainant. We found that the insurer had told them not to worry about the pre-existing conditions (PEC) process because the surgery was a 'standard procedure'. It was only three months before the end of the PEC waiting period when they said this to the complainant.

The PEC process requires an assessment by a medical practitioner appointed by the health insurer. Insurers can impose a 12 month waiting period on benefits for hospital treatment for a PEC. If the insurer had properly explained the PEC process and how pre-existing conditions are defined, the complainant may have delayed the surgery until the waiting period was finished. We asked the insurer to consider this issue and they agreed to pay the hospital costs because they had not given adequate information.

CASE STUDY

A complainant started a health insurance policy in June. A government rebate was automatically applied to their policy, reducing their premium. The insurer asked them to complete a rebate form to confirm the reduced premium. The complainant thought they had returned the form, and did not hear anything more about it.

In late October, the insurer again asked the complainant to complete a rebate form. The complainant thought they returned the form a second time. Ten days later the insurer wrote to the complainant asking for the rebate form or else their premium would increase from their start date. Six days later, the insurer wrote to the complainant, saying that their premium had increased from June because their rebate had been removed. The letter went on to explain that they were now in arrears.

The complainant could not afford to pay the arrears so they cancelled their direct debit payments and started a new policy in late December with a different insurer. The second insurer applied new waiting periods because the complainant's first policy had ended more than two months earlier.

The complainant was not in good health and was receiving medical treatment. They contacted our Office and asked us to help. The first insurer gave us their records of communication with and admitted they should not have allowed five months to pass before following up on the rebate form. The first insurer offered to accept 50 per cent of the arrears and to issue a new end date certificate so the second insurer could remove the waiting periods on the complainant's new policy.

Overseas Visitors Health Cover

Each year we help people with complaints about Overseas Visitors Health Cover (OVHC) and Overseas Student Health Cover (OSHC) policies for visitors to Australia. These complaints are counted separately from complaints made about domestic

health insurance policies. In 2018–19 we received 404 overseas health cover complaints.

The most common issues for overseas visitors were complaints about the pre-existing condition waiting period (117 complaints), cancellation (52 complaints) and benefit payment delays (26 complaints).

Table 12—Overseas Visitors Health Cover complaints

Insurer	2017–18	2018–19
Allianz (Lysaght Peoplecare)	101	99
Australian Unity	17	10
BUPA	184	167
CBHS	0	0
GMHBA	4	3
GU Health	0	0
HBF	4	3
HCF	2	20
Health.com.au	-	1
HIF	3	2
Medibank Private (AHM)	72	52
NIB	54	47
Total	441	404

Reports

During the year, the Office publishes quarterly bulletins which report on complaint statistics, issues and trends.²⁹ The bulletins also include information on topics such as the private health insurance reforms and premium increases.

The State of the Health Funds Report, relating to the 2017–18 financial year, was published in March 2019.³⁰ Section 20D(c) of the *Ombudsman Act 1976* requires that the Office publishes the report after the end of each financial year, to give comparative information on the performance and service delivery of all health insurers during that financial year. The purpose of this report is to provide consumers information to help them make decisions about private health insurance.

²⁹ <http://www.ombudsman.gov.au/publications/industry/private-health-insurance>

³⁰ <http://www.ombudsman.gov.au/publications/reports/state-of-the-health-funds>

To supplement the information in this report, additional information about private health insurance complaint statistics and trends in 2018–19 will be published on the Office’s website.³¹

Consumer website

The website privatehealth.gov.au is Australia’s leading independent source of consumer information about private health insurance. It is also the only website that allows users to search the features and premium costs of every policy available in Australia.

In 2018–19 we received 1,740 enquiries via the consumer website, which we responded to with written information and advice.

Website usage has continued to grow every year since the website’s original launch in 2007, with 1,441,712 visits in 2018–19—an increase of over nine per cent compared to the previous financial year.

On 1 April 2019, the Office launched an updated version of its privatehealth.gov.au website. The website includes the following new features:

- Information about the government’s private health insurance reforms, including new product tiers for hospital policies (Gold, Silver, Bronze and Basic).
- An improved search feature for comparing policies that allows users to filter results based on the services they are most interested in, or the premium they are prepared to pay. Search results are displayed in a vertical ‘tile’ format, allowing users to compare policies side-by-side.
- A simpler Private Health Information Statement (PHIS), which summarises the most important features of the policy. Users can download, print or email copies of the

PHIS to consider the information at a time that suits them.

- A new premium estimator so users can decide whether to compare policies according to the base premiums or an estimated premium, which takes into account their rebate and/or Lifetime Health Cover (LHC) loading.
- An updated look and feel, including compatibility with mobile devices.
- Improvements to existing features such as the agreement hospitals finder, which shows what hospitals are covered by each insurer.

During the transition period for the private health insurance reforms from 1 April 2019 to 1 April 2020, health insurers will gradually transfer existing policies across to the new product tiers. The website will continue to include all available policies, as health insurers are required to keep their information on the privatehealth.gov.au up-to-date at all times.

Postal Industry Ombudsman

The Office investigates complaints about postal and similar services provided by Australia Post and Private Postal Operators (PPOs) under the Postal Industry Ombudsman (PIO) Scheme.

Australia Post (including StarTrack) is a mandatory member of the PIO Scheme, while other PPOs may choose to voluntarily register. As at 30 June 2019, there were three voluntary members on the Private Postal Operator Register: FedEx Australia, Cheque-Mates and D and D Mailing Services.

Complaints overview

In 2018–19 we received 2,503 complaints representing a 30 per cent decrease in comparison to complaints received in 2017–18 (3,553³²).

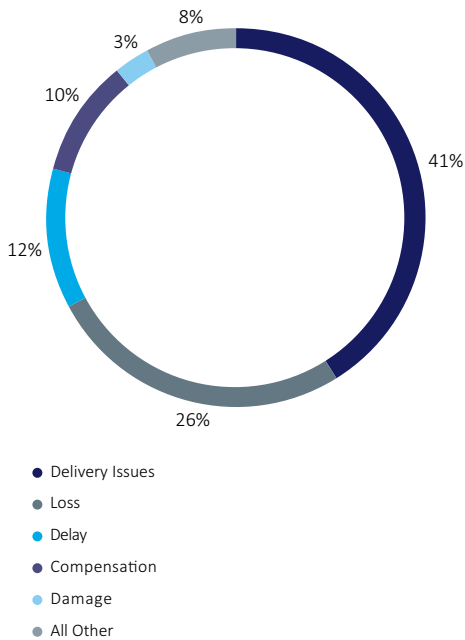
³¹ <http://www.ombudsman.gov.au/publications/reports/annual>

³² The 2017–18 Annual Report at page 77, quoted 3,790 PIO complaints which included 237 complaints about administrative actions and decisions taken by Australia Post, which were considered under the Commonwealth Ombudsman jurisdiction.

Table 13—PIO complaints received and finalised in 2018–19

Postal operator	Complaints received	Complaints finalised ³³
Australia Post and StarTrack	2,488	2,492
Other Postal Operators	15	12
Total	2,503	2,504

In 2018–19 complaints about loss, delivery issues and delay continued to generate the significant majority of complaints to our Office.

Figure 13—PIO complaint issues in 2018–19

- faster resolution of complaints through the new complaint transfer process
- further explanation by our Office and postal operators
- apologies to individuals from the postal operator
- financial remedies including compensation, refunds, goodwill payments and in-kind services
- feedback to postal operator staff.

During 2018–19 we introduced a new process for transferring complaints to Australia Post when we assessed that Australia Post should be able to resolve the matter quickly with the customer. For these cases, Australia Post assess the complaint and informs us of the outcome. We then consider if further investigation of the complaint is required.

We transferred around 20 per cent of complaints via this process for this year, which has proven an effective way to provide timely resolutions for postal complaints. This process has also reduced the number of detailed investigations required by the Office.

Reports

This year we conducted a review of Australia Post's implementation of recommendations made in the own motion report *Review of Australia Post complaints about carding, Safe*

Outcomes

Some outcomes achieved from the actions we took in 2018–19 included:

33 Not all complaints are finalised in the same year they are received.

*Drop and compensation.*³⁴The report made six recommendations to Australia Post highlighting areas where performance could be improved.

Our review concluded that Australia Post has made significant progress in addressing the report recommendations. We also noted the number of actions already underway will take time to implement and we will continue to work with Australia Post as the implementation process continues. Full details are in the report published on 14 June 2019.³⁵

There were no occasions where a complaint or part of a complaint was transferred from the Postal Industry Ombudsman to the Commonwealth Ombudsman under subsection 19N (3) of the Ombudsman Act.

The Postal Industry Ombudsman made no reports during the year under s 19V of the Ombudsman Act.

CASE STUDY

A complainant sent a box containing 12 bottles of wine overseas through Australia Post and purchased Extra Cover in case of damage. Some of the bottles were damaged in transit and a damage claim was made. Australia Post rejected the Extra Cover claim on the basis that the article was inadequately packaged and did not have a wine certificate (a requirement when sending more than 2 bottles).

The complainant complained on the basis that the Post Office knew at time of lodgment that the box contained wine and how it was packaged. Australia Post did not mention anything about a wine certificate and sold

them Extra Cover. Australia Post did not change its decision so the complainant approached our Office.

We transferred the dispute back to Australia Post to respond to the complainant's concerns. Australia Post acknowledged that it should have identified that the article should not have been accepted for carriage as only two bottles of wine can be posted, additional amounts require a wine certificate and alcohol deliveries were also on the prohibited list for the country the box was addressed to.

Australia Post offered the complainant compensation to cover the damage and postage.

34 Review of Australia Post complaints about carding, Safe Drop and compensation—Published 3 April 2018

http://www.ombudsman.gov.au/__data/assets/pdf_file/0025/82618/review-of-australia-post-complaints.pdf

35 Follow-up report on Australia Post's response to the Ombudsman's recommendations

http://www.ombudsman.gov.au/__data/assets/pdf_file/0013/100840/A-report-on-Australia-Posts-implementation-of-the-Ombudsmans-recommendations_combined-A1779044.pdf

VET Student Loans Ombudsman

Our Office investigates disputes between students and their Vocational Education and Training (VET) loan scheme providers under the VET Student Loans Ombudsman function.

We also deliver best practice complaint-handling advice and training to VET loan scheme providers to help improve their ability to manage complaints, which results in better outcomes for students and providers.

If required, we have powers to compel VET loan scheme providers to attend meetings and we can make recommendations to other Australian Government agencies in relation to systemic issues about provider practices uncovered through our investigations.

New VET FEE-HELP redress measures

From 1 January 2019, we began assessments of VET FEE-HELP debts under the VET FEE-HELP Student Redress Measures. The redress measures, passed in the *Higher Education Support Amendment (VET FEE-HELP Student Protection) Act 2018*, provide people who incurred VET FEE-HELP debts inappropriately with an opportunity to have their debts assessed for removal by our Office. People who want to have their debts considered under the redress measures must make a complaint to our Office. We then assess the debt and make a recommendation to the Department of Education and Training (DET) to remove the debt in full or in part. The Secretary of the DET or their delegate then makes a decision after reviewing our recommendation. The Secretary of the department can also act on their own initiative to remove the debts of groups of students who experienced inappropriate conduct in a similar way, even if those students have not lodged a complaint with the Office.

During 2018–19, we worked closely with DET to document and agree processes to support the assessment of complaints and submission of recommendations under the redress measures. During 1 January–30 June 2019 we focussed on the quality of recommendations rather than the volume, to ensure our recommendations were well-targeted and that debt removals were justified. As the bedding down of processes is largely complete we expect the volume of recommendations to increase in 2019–20.

As at 30 June 2019, there were 5,912 open complaints that require assessment under the redress measures by our Office.

As at 30 June 2019, we had made 515 recommendations to the department for the removal of VET FEE-HELP under the redress measures, comprising 3,486 units of study, with a total value of \$12.2 million, including \$10.2 million in loan debts and \$2 million in loan fees. In addition, we finalised 158 complaints following the department's removal of 4,094 student debts under its first Secretary Initiated Action in April 2019.

Following machinery of government changes, we will continue to work closely with the Department of Employment, Skills, Small and Family Business on the VET FEE-HELP Redress Measures.

Complaints overview

In 2018–19 we received 7,059 complaints from students disputing their debts or other issues with their VET loan scheme provider and finalised 4,632. Unknown debts and enrolments were the most common complaint issues raised, accounting for 19 per cent of complaints received in 2018–19.

In January 2019, we revisited complaints closed during 1 July 2017–31 December 2018 that are now eligible for consideration under the redress measures. We identified 793 complaints to

be eligible and subsequently re-opened these complaints for assessment under the redress measures.

Table 14 shows the finalisation reasons for complaint issues. Complaints often include more

than one issue, which is why there are more issues (7,871) than finalised complaints (4,632). The main reason for finalising complaints in 2018–19 was due to complainants not going through their providers' internal complaints and grievance policy in the first instance.

Table 14—Issue outcomes for finalised complaints in 2018–19

Finalisation reasons	Total issue number	%
The complainant has not yet followed the provider's complaint-handling or grievance procedures.	4,129	53
Not all circumstances warrant investigation, so no investigation was commenced. This includes when: <ul style="list-style-type: none"> – an action was reasonably open to a provider to take – a complainant is referred to a tuition assurance operator to seek redress – a provider has agreed to re-credit a complainant's student loan. – This also includes when the complainant is not sufficiently connected to the complaint, such as when a person calls on behalf of another person without their knowledge or consent. 	2,509	32
After commencing an investigation or further assessment of a complaint, we decided that further investigation or action was not warranted for any reason. This includes when: <p>A provider has provided an appropriate remedy.</p> <p>Further investigation would not lead to a different result.</p> <p>We have made a recommendation for re-credit under the redress measures which has been accepted by the department. We finalise complaints after the department makes a decision on our recommendations. As at 30 June 2019, we had finalised 276 complaints after making a recommendation and 239 complaints where we had made recommendations which remained open pending a decision by the department.</p>	653	8
The complainant cannot be contacted, does not respond to requests for information, or does not wish to pursue their complaint.	418	5

Finalisation reasons	Total issue number	%
The complaint would be better dealt with through an external avenue such as the department or the Administrative Appeals Tribunal (AAT), or the complainant was referred to an advice or advocacy body.	162	2

Complaints relating to the VET Student Loans program

During 2018–19, we received 194 complaints relating to the VET Student Loans program, compared to 86 complaints received about the program in 2017–18.

The most common issues raised in complaints about the VET Student Loans program relate to course closures, loan amount disputes and course progression. As at 30 June 2019, 72 complaints about the program remained open and four were being investigated. A significant proportion of complaints about the program (56.8 per cent), were finalised by referral back to the provider for the complainant to go through the provider’s internal complaint process.

Quarterly updates

We publish quarterly updates for the VET Student Loans Ombudsman function, which provide detailed data and analysis of complaints and issues handled by our Office. These updates are published on our website: ombudsman.gov.au/publications

Overseas Students Ombudsman

The Office of the Commonwealth Ombudsman investigates complaints from prospective, current and former international students about problems with private education providers.

We have three main functions in our Overseas Students Ombudsman role. They are to:

- assess and investigate complaints about actions taken by private registered education providers in connection with student visa holders
- give private registered providers advice and training about best practice complaint-handling for international student complaints
- report on trends and systemic issues arising from our complaint investigations.

Complaints overview

In 2018–19 we received 1,324 complaints and finalised 1,292, this represented a 32.5 per cent increase in complaints received compared to 2017–18. The increase in complaints received by our Office reflects an increase in the outreach activities undertaken by the Office during the year.

Quarterly updates are published for the Overseas Students Ombudsman function which provide detailed data and analysis of complaints and issues handled by our Office. These updates can be found on our website at ombudsman.gov.au/publications

Assisted referrals process

We usually do not investigate a complaint before a student has made a formal internal complaint or appeal to their education provider. This gives the education provider an opportunity to resolve the matter first.

Students who have not yet complained to their provider make up 17 per cent of complaints to our Office. To assist these students to make complaints to the provider in the first instance, and to achieve

an early resolution of complaints, we commenced a trial process of assisted referrals of complaints to education providers in January 2019.

This process helps to ensure that the education provider and the student have an opportunity to resolve the issue. If the education provider informs us that the complaint has been resolved, but the student advises that they are not satisfied with the provider's resolution, our Office may start an investigation. If the education provider does not assist the student by initiating the provider's internal complaints and appeals process, our Office may also begin an investigation.

Providers are not obliged to participate in the assisted referral process, but we appreciate the cooperation of education providers who have participated in this new process and worked with students to promptly resolve their complaints.

Investigation outcomes

During 2018–19, we commenced 402 investigations and finalised 366 investigations which included 467 issues.³⁶ Table 15 shows which party our investigation outcome supported for all complaints finalised during the period.

Table 15—Issue outcomes for investigations finalised in 2018–19

Party investigation outcome supported	Total issues	%
Student	161	34
Provider	216	46
Neither	90	19

Table 15 shows that 19 per cent of issue investigation outcomes were found in support of neither the student nor the provider. This can be for the following reasons:

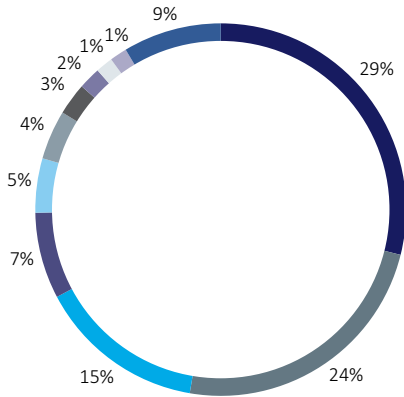
- the issue was not investigated, even though other issues complained about were investigated
- the issue was resolved between the student and provider during the course of the investigation
- the investigation of that issue stopped before a determination could be made, for example, because the complainant withdrew their complaint or the issue was transferred to another complaint-handling body which specialises in handling complaints on those issues.

Complaint issues

Written agreements (fees and refunds) continue to be the most common complaint issue we receive from overseas students. These complaints are usually about students seeking a refund of pre-paid tuition fees when they have ended their study before finishing their course. Students' ability to seek this refund should be stated in their written agreement with the provider. Student attendance and course progress monitoring, and transfers between registered providers were the next most common issues raised in complaints to our Office.

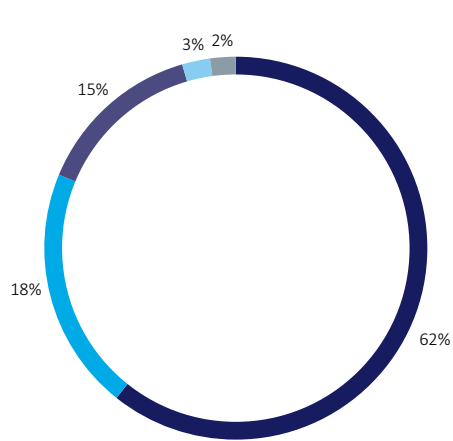
³⁶ A single complaint can have more than one issue, which is why there are more issues than investigations.

Figure 14—Issues raised in finalised investigations



- Standard 3 - Written agreements
- Standard 8 - Progress, attendance, course duration
- Standard 7 - Transfers
- Standard 3 - Formalisation of enrolment (Written agreement)
- Standard 10 - Complaints and appeals
- Grades/assessment
- Standard 9 - Deferring, suspending, cancelling enrolment
- Standard 4 - Education agents
- Standard 8 - Provider complaints and appeals processes
- Overseas Student Health Cover
- Other issues

Figure 15—Complaints by education sector in finalised investigated complaints



- VET (Vocational Education & Training)
- HE (Higher Education)
- ELICOS
- Non-Award
- Schools

Complaints by education sector

The Vocational Education and Training (VET) sector continues to be the most commonly complained about sector. However, it also has the highest number of registered private providers.

Stakeholder Engagement

Over 70 per cent of international students use the services of an education agent when seeking to study in Australia.³⁷ As a result, education agents play an important role in informing students about their rights and helping students to make a complaint if they have a dispute with their provider. Education agents can even lodge a complaint with us on behalf of a student they are assisting.

In 2018-19 we commenced a strategy to engage with education agents to increase awareness of the Office and to improve our outreach to international students studying in Australia. The aim of the strategy is to educate agents about the Overseas Students Ombudsman, including how to refer students to our Office to make a complaint and the resources we have available for agents and students.

37 Department of Education and Training, **submission to the Joint Standing Committee on Migration’s Inquiry into the efficacy of current regulation of Australian migration agents**, Table 1. Accessed 22 May 2019 from the website of Australian Parliament House.

As part of the strategy we implemented a newsletter, which is sent to nearly 5,000 qualified education agent counsellors, providing updates about the Office and useful information for agents about the complaint-handling process. We also attended the ICEF Australia New Zealand Agent Workshop 2019 in Darwin. At this workshop we presented a seminar on our role and participated in a series of one-on-one meetings with agents.

Conferences and forums

During 2018–19, representatives from the Office presented at or participated in the following events:

- Victorian International Student conference
- Australian Council for Private Education and Training (ACPET) annual conference
- Education Consultants Association of Australia, ESOS and National Code seminar
- SYMPLED – Symposium on Leading Education recruitment
- Chairs of Academic Boards Forum (for non-university higher education providers)
- Migration Institute of Australia, Professional Development session
- Australian Education Consultants’ Alliance national conference
- Study Canberra, International Student Ambassador training
- Council of International Students Australia (CISA) grievance officer training
- Best Practice Complaint-Handling session, Victorian VET provider
- Australian Federation of International Students (AFIS) welcome day
- ICEF Australia New Zealand Agent Event

Liaison activities

The Office has held regular meetings with the national education and training regulators, the Australian Skills Quality Authority and the Tertiary Education Quality Standards Agency, as well as the Tuition Protection Service, Department of Education and Training and the Department of Home Affairs to discuss issues relating to international education and overseas student complaints.

Representatives from our Office organised and chaired regular meetings with a network of ombudsmen and similar overseas student complaint-handling bodies with the intention of producing a national international student complaints data summary in 2019–20.

Reports to the regulators

The Office may, under s 35A of the *Ombudsman Act 1976*, disclose information of concern about a provider’s actions to the relevant government regulator if in the public interest. In 2018–19 the Office made disclosures in relation to nine providers.

Eight disclosures were made to the Australia Skills Quality Authority. The disclosures concerned, serious and/or repeated breaches of the Education Services for Overseas Students (ESOS) legislative framework.

Five disclosures were made to the Tuition Protection Service, the NSW Board of Education, and the Department of Education. The disclosures concerned, providers not issuing refunds to students who had their visa refused, within the 28 day period mandated by the ESOS Act.

Section 9 powers

We did not use our s 9 powers under the Act to obtain information or documents in 2018–19.

Working with international partners

In 2018–19, the Department of Foreign Affairs and Trade (DFAT) continued to fund the Office’s delivery of international programs in the Indo-Pacific region. The programs support regional ombudsman and allied integrity bodies through the provision of training, technical assistance and senior leadership engagement to build capacity and promote best practice complaint-handling and investigations.

Indonesia

The Office continued its engagement with the Ombudsman Republik Indonesia (ORI) during 2018–19. We delivered six activities, with the program focused on supporting the Ombudsman Republik Indonesia’s complaint-handling capabilities, leadership capability, strategic focus and development of a whole-of-government best practice model to enhance the internal complaint-handling systems of Indonesian public sector bodies. This included conducting a pilot regional training activity for local Indonesian government

SENIOR LEADERSHIP ENGAGEMENT, INDONESIA

In early 2019, the Commonwealth Ombudsman and Deputy Ombudsman attended two high-level capacity-building events in Indonesia, hosted by the Ombudsman Republik Indonesia. In February 2019, the Commonwealth Ombudsman presented at the Ombudsman Republik Indonesia’s leadership and capacity building training in Bogor. The training helped senior staff in developing their capability as new and emerging leaders within ORI and promoted international best practice.

In March 2019, the Ombudsman Republik Indonesia hosted its 19th anniversary gala event and an international seminar in Palembang with the theme: ‘A better public service delivery in the era of disruption.’ This event was attended by 300 senior officials from the Indonesian Government, public

service and international integrity agencies. The Deputy Commonwealth Ombudsman participated in a panel discussion relating to the theme of the seminar.

These events contributed to the broader partnership outcomes of strengthening leadership capacity and strategic focus through collaboration and peer-to-peer support. The events allowed senior leaders in both agencies to share their knowledge and experience at multiple levels and gain cross-cultural understanding, while enhancing their understanding of international best practice.



agencies, where our staff delivered an interactive presentation on good complaint-handling.

Papua New Guinea

Building on past successes, the twinning program with the Ombudsman Commission of Papua New Guinea (OCPNG) delivered 11 activities in 2018–19. These included:

- hosting a professional development placement (internship) program
- delivering intake and assessment training
- co-facilitating a complaint handling workshop for provincial administrators and government bodies
- providing support for human resources software training
- co-facilitating an annual report writing workshop
- supporting the OCPNG to develop standard operating procedures for processing the annual financial statements of leaders.

These activities worked towards building stronger institutional systems and capacity for the OCPNG. Specifically, they aimed to improve internal standard operating procedures and practices, develop tailored leadership code investigations and refine processes and policies to manage high-volume and difficult caseloads with limited resources.

Samoa

In 2018–19, the Office entered into a bilateral partnership agreement with DFAT to work with the Office of the Ombudsman of Samoa and the Samoa Audit Office. The program aims to deliver low cost, high impact projects that:

- strengthen partnerships
- share best practice
- enhance technical competence
- develop leadership in organisational reform and staff development
- improve corporate capabilities in strategic planning, communications and project management.

These aims were achieved by supporting staff from our partner agencies to:

- attend a Pacific Association of Supreme Audit Institutions (PASAI) strategy planning, measuring and reporting workshop in the Cook Islands
- attend the Australasia and Pacific Ombudsman Region conference in New Zealand
- participate in our Office’s Commonwealth Complaint-Handling Forum
- complete a Certificate IV in Government Investigations
- participate in professional development placements and attend advanced investigations training.

Solomon Islands

In 2018–19, the Office entered into a bilateral agreement with DFAT to work with the Office of the Ombudsman Solomon Islands and the Solomon Islands Leadership Code Commission. The Office worked with both organisations to:

- undertake training and capability development in strategic planning and organisational reform
- strengthen linkages with similar organisations in the Pacific
- share lessons and methods to overcome identified challenges.

Program activities included:

- providing in-country technical assistance to finalise the four year Corporate Strategic Plan for the Ombudsman’s Office
- conducting senior leadership engagement
- supporting both organisations to attend the Australasia and Pacific Ombudsman Region conference in New Zealand
- professional development placements
- government investigations and conflict of interest training.



Staff representatives, Bianca Martin and Andrew Pearce with Solomon Islands Ombudsman Mr Fred Fakarii and team.

CORPORATE PLANNING WORKSHOP – SOLOMON ISLANDS

In July 2018, the program supported a corporate planning workshop with the Office of the Ombudsman of the Solomon Islands in Honiara.

We gave technical assistance about how to build a corporate plan for an Ombudsman’s office and we supported the Ombudsman of the Solomon Islands to develop and finalise its 2018–2022 Corporate Strategic Plan, which forms the basis of its funding proposal to the Solomon Islands Government.

Staff participated in interactive group activities and edited the plan in real time.

The plan was finalised in August 2018 and 120 copies were professionally printed.

The project helped to strengthen the Office of the Ombudsman of the Solomon Islands’ corporate governance framework by assisting the organisation to:

- set long term goals for its ombudsman functions
- develop a mission statement for the organisation and each divisional unit
- establish key performance indicators, targets and measures for the various functions covered by the ombudsman’s office.





05

**PUBLIC INTEREST
DISCLOSURE SCHEME**

Part 5—Public Interest Disclosure Scheme

This chapter comprises our annual report on the operation of the *Public Interest Disclosure Act 2013* (PID Act) as required by section 76 of the Act.

The Office oversees the operation of the Public Interest Disclosure (PID) Scheme (the scheme), established under the PID Act. The scheme promotes the integrity of the Commonwealth public sector by providing for the reporting and investigation of wrongdoing and the protection of whistleblowers.

The Office has three primary functions under the scheme:

- allocation of disclosures and investigation of complaints
- delivery of education and awareness programs
- annual reporting on the scheme’s operation.

The Inspector-General of Intelligence and Security (IGIS) has oversight of the six intelligence agencies subject to the scheme³⁸ and has the same allocation, investigative and education functions.

This report has been prepared with the assistance of the 178 agencies covered by the PID Act. We would like to acknowledge their efforts in collecting the data required for this report.

Key elements of the scheme

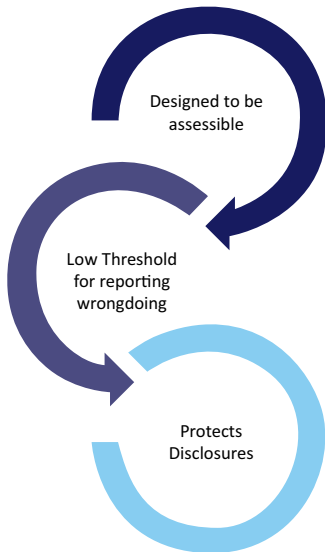
The scheme is designed to be accessible. The low threshold for making a disclosure is intended to encourage officials to come forward and report

wrongdoing. The protections under the PID Act apply to disclosures that:

- are made by a current or former public official
- are to an authorised recipient
- involve ‘disclosable conduct’.

‘Public official’ is broadly defined and includes contracted service providers and subcontractors. Similarly, ‘disclosable conduct’ captures a broad range of conduct, such as the breach of a law or of the Australian Public Service (APS) Code of Conduct. These broad definitions mean the scheme attracts reports of wrongdoing across a wide cross section of agencies and activities. Agencies must investigate a PID unless certain circumstances apply, such as the matter having previously been dealt with through another process. At the conclusion of an investigation, agencies must provide disclosers with an investigation report that explains the findings of the investigation, and any actions taken or recommendations made. Disclosers can make a complaint to the Office or IGIS if they are dissatisfied with an agency’s handling of their PID.

³⁸ Australian Security Intelligence Organisation, Australian Secret Intelligence Service, Australian Signals Directorate, Australian Geospatial-Intelligence Organisation, Defence Intelligence Organisation and Office of National Assessments



PIDs at a glance

In 2018–19, there were 457 PIDs received across the Commonwealth, compared with 737 last year. The decline in numbers is largely attributable to a large reduction in PIDs at one major agency (Australia Post). It may also be explained by advice

from this Office that agencies should report on the number of disclosures they have assessed as PIDs (rather than the number of disclosures received). However, given that the number of disclosures that were assessed as not meeting the PID threshold was similar to last year (342 disclosures compared with 354 last year) the results indicate a decline in the overall number of disclosures. This may be attributable to clearer information on some agencies' websites about the application and scope of the PID Act.

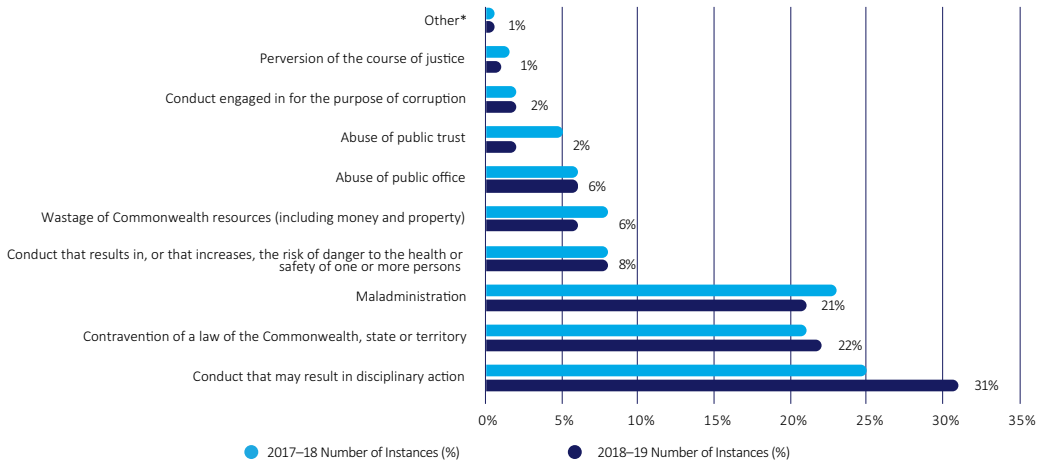
A single PID may involve multiple allegations of disclosable conduct. Of the PIDs made this year there were 792 alleged instances of disclosable conduct.³⁹ As in previous years, the most common types of alleged disclosable conduct were 'conduct that may result in disciplinary action', 'breach of a law' and 'maladministration'. Given the broad based nature of these descriptions, they cover a wide range of actions and conduct. Conduct that may result in disciplinary action would generally relate to conduct that might contravene internal codes of conduct.

Figure 16—2018–19 Disclosures at a glance



³⁹ This refers to allegations of disclosable conduct prior to an investigation being undertaken.

Figure 17—Allegations of disclosable conduct—FY comparison

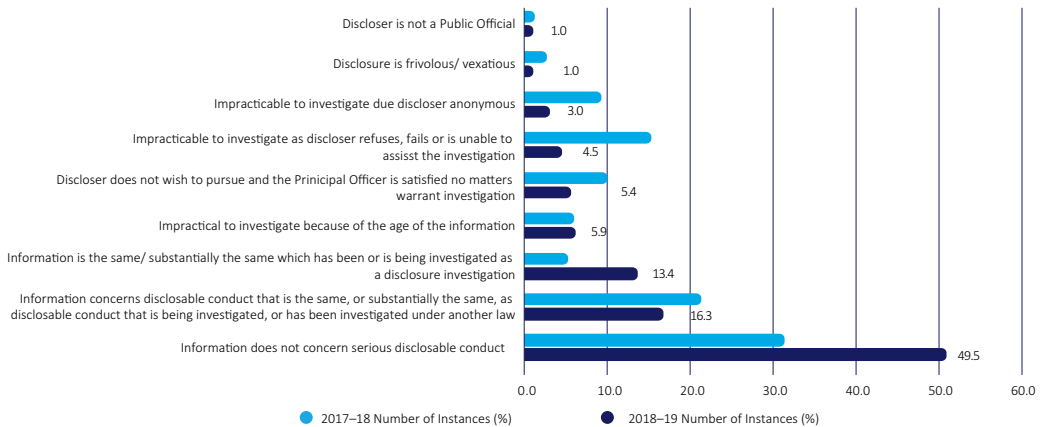


*Conduct in a foreign country that contravenes a law; fabrication, falsification, plagiarism or deception in relation to scientific research; and conduct that endangers, or risks endangering the environment)

Agencies may decline to investigate a PID, or decline to further investigate, for a range of reasons. This year agencies declined to investigate (in full or part) 180 PIDs. The most common reason was because the PID did not concern serious disclosable conduct. The PID Act provides that the seriousness of alleged action or conduct is not relevant when deciding whether the disclosure is

a PID, but may be relevant when deciding whether an investigation is required. While these results may indicate an improved understanding among agencies of the PID Act, we propose to monitor the issue given the increase in the number of times this ground was identified as the reason for not investigating all or part of a PID.

Figure 18—Use of s 48 – FY comparison

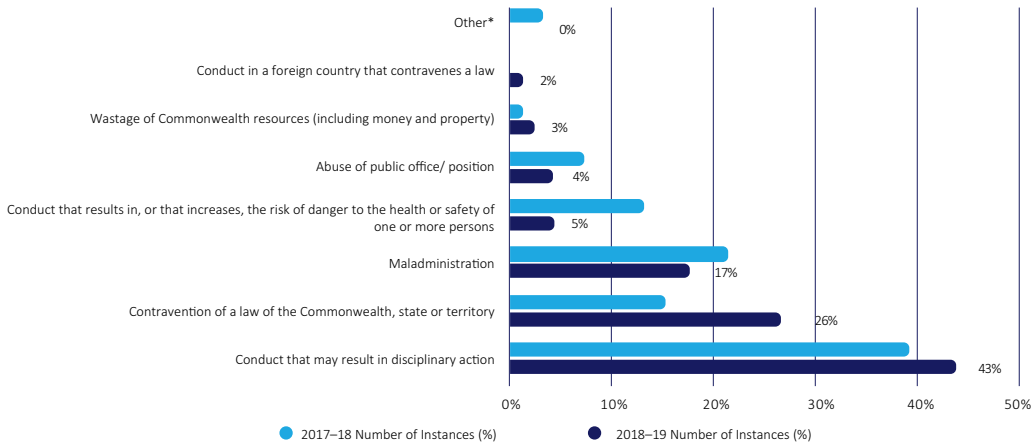


Investigation outcomes

A total of 289 PID investigations were finalised this year. 84 investigations resulted in one or more findings of disclosable conduct, and 146 resulted in

at least one recommendation that particular action be taken.

Figure 19 – Findings of disclosable conduct – FY comparison



*Conduct in a foreign country that contravenes a law; fabrication, falsification, plagiarism or deception in relation to scientific research; and conduct that endangers, or risks endangering the environment

We remind agencies at our regular PID forums that a PID investigation that does not result in a finding of disclosable conduct may nonetheless identify an opportunity to mitigate potential risks of wrongdoing or improve agency practice and procedure.

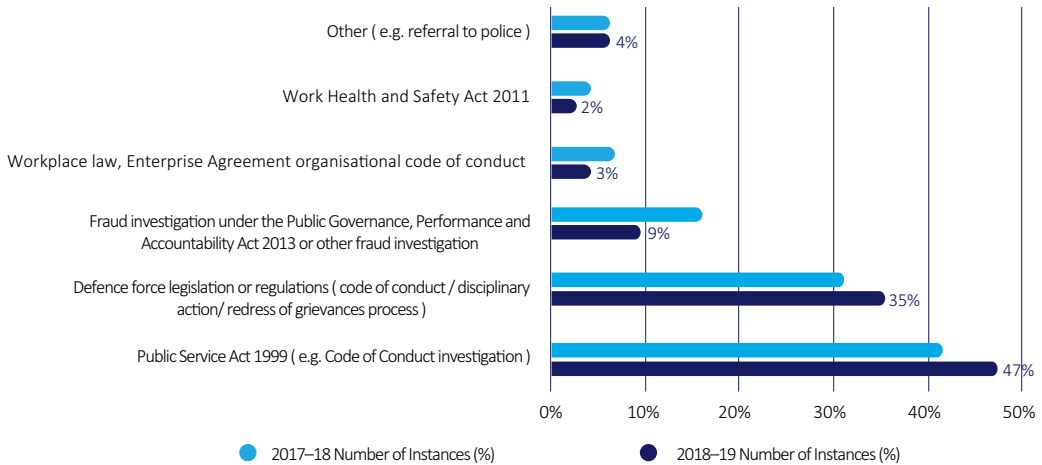
Agencies reported a range of outcomes and actions following investigation, including:

- standardisation of procurement training materials
- staff counselling regarding adherence to agency practices and procedures
- inclusion of formal risk assessments as part of major change activities

- review of internal complaint-handling policies and procedures.

On three occasions agencies contacted the police because there were reasonable grounds to suspect that a disclosure included evidence of an offence.

The PID Act also enables agencies to recommend investigation of a PID under another law. Common areas for referral include the *Public Service Act 1999* (for investigation of Code of Conduct matters), Defence Force legislation, *Public Governance Performance and Accountability Act 2013* (for fraud matters) and Workplace Health and Safety legislation. This year, 94 recommendations for referral were made. Consistent with last year's results, the majority involved a referral for investigation under the Public Service Act.

Figure 20—2018–19 Referrals to other investigative mechanisms

For full details of the number of PIDs received, the kinds of disclosable conduct alleged, the number of disclosure investigations and the actions taken in response to recommendations, see Appendix 7.

Who is using the scheme?

Usage of the scheme was broadly consistent with previous years. The majority of PIDs were made by current or former public officials, with a slight increase in the number of PIDs made by this cohort (91 per cent this year compared with 84 per cent last year). The number of disclosures made by contracted service providers remained relatively constant at five per cent of disclosures, and there was a decline in the number of disclosures from deemed public officials⁴⁰ (four per cent this year compared with 12 per cent last year).

Given the broad use of contracted service providers across the Commonwealth it is possible that they remain under-represented in the overall numbers of disclosures.

Awareness raising and training

Agencies reported providing a variety of PID-related information and training including mandatory induction programs, intranet or employee handbook materials, and all staff communications. Consistent with last year's results, around a third of agencies provide formal PID training to their employees on a yearly basis, with 67 per cent of agencies providing either no formal training or providing training only upon request.

As with last year, most agencies reported providing no formal PID training to contracted service providers. Many agencies however report providing PID information to contracted service providers via other means, such as during the procurement and contracting process, via access to the agency's intranet, or through informal distribution of information. Since the number of disclosures from this cohort is unchanged, and lack of awareness may be a barrier to reporting, we will continue to remind agencies of the need to ensure awareness of the PID scheme among this group.

⁴⁰ Agencies may deem a person to be a public official in certain circumstances. Agencies generally use this approach to investigate PIDs from non-public officials who may have special or inside information about wrongdoing in an agency.

Authorised officers

A public official may only make a disclosure to an authorised officer,⁴¹ to their supervisor or to the agency's principal officer. As with last year, most disclosures were made to authorised officers.

The number of disclosures to authorised officers

did decrease slightly (80 per cent, compared with 88 percent in the previous year) and more disclosures were made directly to principal officers (12 per cent compared with five per cent in the previous year). The number of disclosures made to supervisors remained steady (eight per cent compared with seven per cent last year).

Table 16—Average number of authorised officers

Staff numbers	Average number of authorised officers
<50	2
50–250	2
250–1,000	5
1,000–10,000	8
Over 10,000	14

We encourage agencies to appoint authorised officers at a range of levels. However, the substantive level of most authorised officers remains high with 50 per cent of authorised officers at senior executive level and 40 per cent at executive level. We will continue to encourage agencies to consider the relative seniority of authorised officers noting that it may create a barrier to reporting. We will also undertake some further analysis of the number of authorised officers in agencies of comparable size, noting that the number of authorised officers can vary significantly (e.g. the number of authorised officers within agencies with 10,000 or more employees ranged from 3 to 24).

Timeliness

The PID Act imposes a 90 day timeframe on investigations, subject to possible extension from the Office or IGIS where there are reasonable grounds. If an investigation is not completed in time and an extension is not granted, the discloser may in certain circumstances seek redress by disclosing the information externally. Most investigations were completed within 90 days (65 per cent) with 21 per cent taking between 90-180 days and 14 per cent taking more than 180 days.

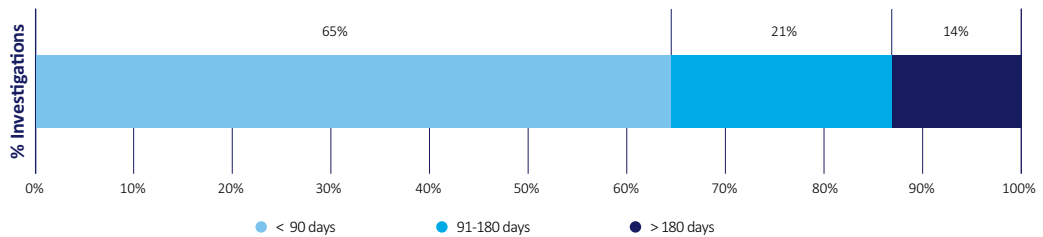
The Office received 171 requests for extension of time, of which 161 were granted. As a result of the guidance we published in 2018, agency estimates of the time needed to complete an investigation appear to be more considered. In 2019–20 we propose to monitor agencies' performance

⁴¹ A person appointed by an agency's principal officer to receive disclosures. Principal Officers are required to ensure there are sufficient numbers of authorised officers to ensure they are readily accessible to public officials in their agency.

against advice in our policy that they apply for an extension well before the 90 day timeframe is

complete, and to keep disclosers informed of an investigation’s progress.

Figure 21—Investigation timeframes

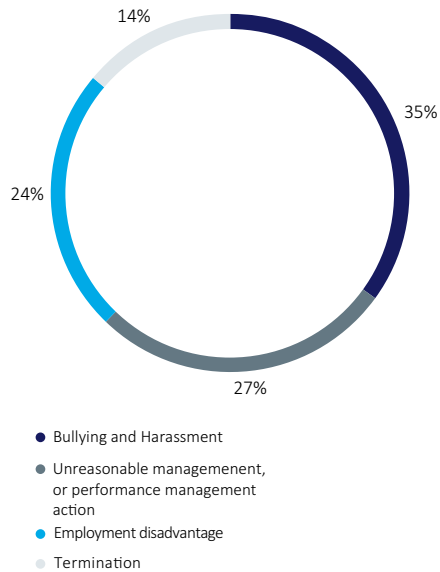


Reprisal

Disclosers who believe they have been subject to reprisal are encouraged to raise the issue with their agency. Agencies are expected to investigate claims of reprisal and, if appropriate, refer the matter to the police or other oversight agency. Disclosers may also contact the Office if they are dissatisfied with the agency’s handling of their reprisal claim.

In 2018–19, Commonwealth agencies reported a total of 17 claims of reprisal. The types of conduct alleged included bullying and harassment and unreasonable management or performance management action. Agencies reported that, following investigation, two reprisal claims were substantiated. The Office also received 18 enquiries or complaints directly from disclosers raising concerns about reprisal. Disclosers variously elected to make a PID regarding the reprisal action, make a complaint to our Office, or await the outcome of the agency’s investigation report. Following feedback from our PID forums, the Office will publish further guidance to agencies in 2019–20 about managing the risk of and investigating concerns about reprisal.

Figure 22—Claims of reprisal



Complaints

The Ombudsman and IGIS can review agencies' handling of PIDs to assess whether their actions are reasonable and whether agencies are complying with the PID Act and their own PID procedures.

In 2018-19 the Ombudsman received 52 complaints about agencies' handling of public interest disclosures, an increase of 18 per cent from the previous year. The majority of complaints related to the process and outcome of disclosure investigations.

Of the 52 complaints about agencies' handling of disclosures, the Ombudsman investigated 21 matters. Common complaint themes were:

- consideration of evidence and selection of witnesses
- decisions not to investigate where the matter had previously been investigated, or because the conduct is not of a serious nature
- decisions that a disclosure does not concern 'disclosable conduct' and is not allocated for investigation
- allegations that an investigation was affected by bias or a conflict of interest.

Of the 21 matters investigated, we made comments or suggestions about improving agency processes in five cases. In two additional investigations, the agency elected to initiate further investigation of the disclosure in response to our inquiries.

CASE STUDY

A discloser complained to us about an agency's handling of an investigation. Amongst other things, the discloser said the investigator failed to consider information relevant to the disclosure and failed to interview relevant witnesses. The discloser also alleged that the investigation was affected by a conflict of interest, as the investigator was a senior officer in the

business area where the disclosable conduct was alleged to have occurred.

We requested some information from the agency about its assessment of the potential conflict of interest and the investigator's selection of witnesses. The agency responded advising that it considered the circumstances warranted the matter being referred for a new investigation by an independent investigator.

CASE STUDY

We investigated a complaint about an agency's decision to finalise an investigation under s 47(3) of the PID Act. Section 47(3) of the PID Act allows agencies to consider whether a disclosure should be investigated under another law. The agency had referred the matter to an internal, specialist area for investigation and had finalised the PID investigation on that basis.

We identified a number of flaws with the agency's investigation, including its application of s 47(3). We noted that s 47(3) of the PID Act is designed to enable agencies to refer matters for investigation under another specific law, such as the *Public Service Act 1999*, *Fair Work Act 2009* or *Workplace Health and Safety Act 2011*.

We took the view that the agency's decision to refer a matter to an internal area, which did not have investigative powers under a Commonwealth law, was not a proper application of the PID Act. We suggested that, unless there is a specific legislative mechanism under which a matter can be investigated and this mechanism is more likely to ensure the matter is properly investigated, agencies should investigate the matter under the PID Act. We also noted that it would have been open to the agency, when investigating the PID, to seek specialist advice from particular areas if required.

The agency agreed with our views and undertook to reinvestigate the disclosure, review its PID guidance material and arrange training for its Authorised Officers and Principal Officer delegates.

CASE STUDY

A discloser complained to us about an agency's decision not to investigate their disclosure. During our investigation, the agency confirmed that the decision was made by an authorised officer, who had also been delegated the principal officer's power in s 48 of the PID Act to decide whether a disclosure should be investigated. We acknowledged that this was not specifically precluded by the PID Act, but noted the risk of an authorised officer taking into account irrelevant considerations in the initial assessment of a disclosure under s 43 of the PID Act, where that officer would

ultimately be responsible for deciding whether or not to investigate that disclosure. We also noted that an authorised officer may receive information in the course of a PID investigation that could potentially amount to a new internal disclosure, and would then need to be assessed in their capacity as an authorised officer. We considered that it was preferable for the functions of an authorised officer and an investigation officer to be delegated to different individuals as far as possible, and performed by different individuals in the context of a single disclosure. The agency accepted our comments and recommendations on this issue.

Ombudsman investigations

The PID Act enables disclosers to make a disclosure directly to the Office if they have reasonable grounds to believe the Office should investigate. Generally speaking, the agency to which the disclosure relates is best-placed to investigate a disclosure. However, the Office may consider investigating a matter directly if satisfied that the agency is unable to properly investigate or respond to the disclosure. This year, the Office received 63 disclosures about other Commonwealth agencies, down from 78 last year. Of the 63 disclosures, 46 were assessed as PIDs. The majority were allocated to the relevant agency for investigation. We accepted one PID for investigation and allocated a further four to the Australian Public Service Commission as the disclosures fell within its jurisdiction under the *Public Service Act 1999*.

We completed 10 disclosure investigations this year, with a number of these having commenced in the previous reporting period. Of the investigations completed, none resulted in a finding of disclosable conduct, however the Office made recommendations to agencies in three cases. Recommendations focused on agencies providing clear reasons for decisions, the need to undertake risk assessments and manage the risk of reprisal, and ensuring agency policies are up-to-date.

IGIS investigations and complaints

Throughout the year the IGIS provided assistance and advice to officials within the intelligence agencies. This Office assisted the IGIS, where needed on the operation of the PID Scheme and

the performance of their functions under s 63 of the Act.

The IGIS received five direct disclosures, all of which related to Australian intelligence agencies. Of these, four were investigated by the IGIS under the *Inspector General of Intelligence and Security Act 1986* (IGIS Act). Two of these investigations remained open at the end of the reporting period. The IGIS exercised discretion not to investigate, or investigate further, under s 48 in one case.

The six security and intelligence agencies which form the Australian Intelligence Community received one PID, which was completed under s 51 of the PID Act.

The IGIS did not receive any complaints about the handling of PIDs this financial year.

Education and awareness

This year we launched an Investigation Officers forum to complement our Authorised Officers forums. We delivered authorised officer forums to 235 representatives from a large cross-section of agencies. This represents almost double the number of representatives attending our forums last year and feedback from attendees was very positive.

We have continued to emphasise the themes of trust, communication and action as critical to the successful operation of the PID scheme.

Figure 23—The three core themes delivered at PID forums




Building on observations from previous years and based on our complaint investigations, discloser dissatisfaction most commonly arises because a discloser has not been kept informed of the progress of an investigation, the investigation of a PID has not been well explained, or the possible outcomes of a PID investigation have not been well understood as opposed to other remedies which may be available.


In response, this year we have encouraged agencies to consider nominating officers who can provide information on the broad range of complaint resolution and integrity mechanisms that exist including PID, to ensure that public officials are properly informed of the full range of options available to them. We have also encouraged agencies to consider engaging with disclosers once a PID report has been provided to respond to any queries or concerns.

In 2018–19 the Office responded to 237 telephone and email enquiries from agencies and disclosers, a nine per cent increase from last year, and we received 14,900 visits to our content pages on our website. Following a refresh of the Office’s website we will be examining ways to further improve the accessibility and relevance of our PID information.

Given the link between PID and broader integrity measures, this Office made submissions on the operation of the PID Act to the inquiry conducted by the Senate Standing Committee on Legal and Constitutional Affairs concerning the National Integrity Commission Bills. The Office also made a submission concerning the PID Act to the Attorney-General’s Department as part of consultation on the development of a Commonwealth Integrity Commission.



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06

**MANAGEMENT AND
ACCOUNTABILITY**

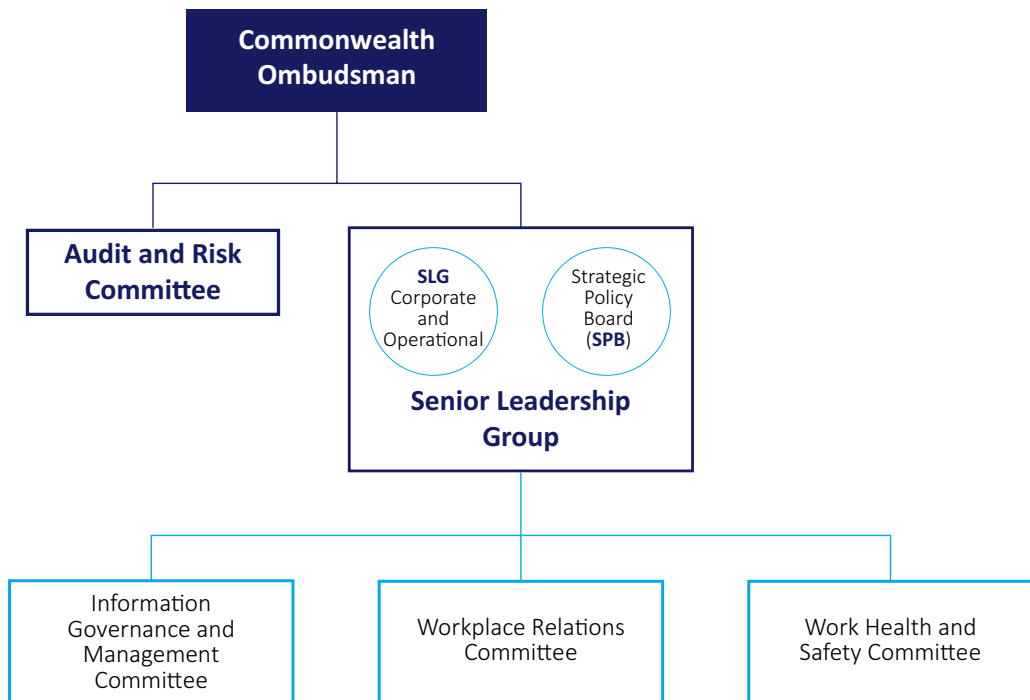
Part 6—Management and accountability

Corporate Governance

As required by the Commonwealth's Enhanced Performance Framework, the Office developed

and publicly released its 2018–19 Corporate Plan in August 2018. The Plan framed the Office's strategic vision, objectives, deliverables and key performance indicators for the next four years.

Figure 24—Committee structure



Senior Leadership Group

The Senior Leadership Group (SLG) comprises the Ombudsman, Deputy Ombudsman, Senior Assistant Ombudsman (SAO) and the Chief

Operating Officer (COO). It is the Office's overarching leadership and management committee, and meets monthly to make decisions in relation to corporate governance, performance, resource allocation and operational issues.

Strategic Policy Board

The Strategic Policy Board comprises of the Ombudsman, Deputy Ombudsman, SAOs and the COO. The board was established in March 2018 and meets monthly to consider the strategic priorities of the Office, such as consideration of public interest issues and business intelligence to inform the selection, prioritisation, scoping, resourcing, timing and delivery of strategic projects. Such projects include own motion investigations, issues papers, submissions, products and targeted engagement activities by the Office in fulfilment of its statutory mandate.

Audit and Risk Committee

The Office has established an Audit and Risk Committee in compliance with s 45 of *the Public Governance, Performance and Accountability*

Act 2013 (PGPA Act) and PGPA Rule s 17 Audit Committees for Commonwealth Entities.

In January 2019 the Office made the decision to incorporate the risk management committee into the Audit Committee and changed the name to the Audit and Risk Committee.

The role of the Committee is to provide independent assurance to the Ombudsman on the Office's financial and performance reporting responsibilities, risk oversight and management and systems of internal control. A copy of the Audit and Risk Committee charter is available on our website.

The Audit and Risk Committee met four times during the year and comprised the following membership during the reporting period, detailed in Table 18.

Table 18—Audit and Risk Committee Members

Members	Position	Period of membership during year	Meetings attended
Will Laurie	External member and Chair	1 July 2018–30 June 2019	4 out of 4
Jaala Hinchcliffe	Member and Deputy Ombudsman	1 July 2018–30 June 2019	3 out of 4
Paul Pfitzner	Acting Deputy Ombudsman	Acting member	1 out of 1
Joanna Stone	External member	1 July 2018–30 June 2019	3 out of 4
Alfred Bongi	External member	1 July 2018–30 June 2019	4 out of 4

Regular observers at committee meetings included representatives from the Australian National Audit Office (ANAO), the Office's internal auditors (Bellchambers Barrett from July to December 2018 and RSM from April to June 2019), the COO and the Chief Financial Officer (CFO).

Management Committees

Management committees assist the Ombudsman with governance and decision-making.

Work Health and Safety Committee

The Office's Work Health and Safety Committee is made up of elected staff representatives from each of our offices and is chaired by the SAO of the Program Delivery Branch. The committee meets on a quarterly basis throughout the year. It has a strategic role in reviewing work health and safety matters and procedures to ensure we meet the terms of the *Work Health and Safety Act 2011*.

Workplace Relations Committee

The COO chairs the Workplace Relations Committee. It comprises of employee, management and union representatives and is the forum for regular exchanges about change and workplace issues.

Information Governance and Management Committee

The Information Governance and Management Committee (IGMC) is chaired by the Deputy Ombudsman. It provides strategic oversight and guidance on the development and implementation of information management and ICT policy, processes and systems. The IGMC provides the SLG with advice and recommendations on information management and ICT issues impacting the Office.

Corporate Governance Practices

Risk management

Our risk management framework comprises of a formal policy and protocol, a strategic risk plan and register and a risk appetite statement. Strategic risk reporting is undertaken quarterly.

The SLG regularly reviews strategic and operational risks as part of the business planning process. The Office also participates in the annual Comcover Risk Management Benchmarking Survey,

which independently assesses the Office's risk management maturity.

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

Business Continuity Plan

Our Business Continuity Plan sets out our strategies for ensuring that the most critical work of the Office can continue, or quickly resume, in the event of a disaster.

In 2018–19 the Office worked with Comcover and Deloitte to review our plan, approach and readiness. As a result of that advice we will update our approach in 2019–20 to cover continuity planning, emergency management and recovery (in one framework).

Accessibility

In developing and maintaining the Office's websites, we use the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0 as the benchmark.

Our online services are compliant with WCAG 2.0 (AA level). Management of the website includes authoring tools to check for accessibility issues and compliance reporting. The graphic design uses high contrast and a simple presentation of content to assist readability.

Ethical standards

Our Office promotes ethical standards and behaviours by our staff. We provide information to our staff on the Australian Public Service Commission's Ethics Advisory Service and we have available to our staff an Ethics Contact Officer. Our intranet contains information about:

- APS Values and Code of Conduct
- workplace discrimination, bullying and harassment

- conflict of interest
- acceptance of gifts and hospitality
- procedures for determining breaches of the Code of Conduct
- procedures for facilitating and dealing with public interest disclosures relating to the Office.

Employee Performance Development Agreements contain the following mandatory, key behaviour: ‘In undertaking my duties I will act in accordance with the APS Values, Employment Principles and APS Code of Conduct.’

The Induction Handbook for new starters provides appropriate information on ethical standards and behaviours. We have also implemented APS Learn Hub, which contains eLearning modules on APS Values and Principles, and Fraud Awareness.

Fraud Control

The Office has a fraud framework in place to enable compliance with Commonwealth framework and legislative requirements in accordance with the PGPA Act, in respect of fraud control. The Fraud Control Plan and the Accountable Authority Instructions provide the foundations of the fraud framework and detail the activities undertaken by the Office to provide an environment free from fraudulent and corrupt acts.

The Office’s fraud control policy is reviewed biennially. All fraud allegations are reported to the Ombudsman and the Audit and Risk Committee and fraud investigations are outsourced as required.

One fraud investigation commenced in 2018–19, which will be finalised in 2019–20. We will be reviewing our fraud control framework, including our fraud control policy and fraud risk assessment in 2019–20.

External Scrutiny

Court and tribunal litigation

No decisions of courts or administrative tribunals made in 2018–19 had, or may have, a significant effect on the operations of the Office.

Office of the Australian Information Commissioner

During the reporting period, the Office of the Australian Information Commissioner (OAIC) advised our Office of seven matters where the applicant sought review of our decisions under the *Freedom of Information Act 1982* (the FOI Act). At the time of reporting, all seven matters remain under consideration by the Information Commissioner.

The Office received one decision from the OAIC in relation to a review that commenced in 2017–18. The OAIC finalised this matter under s 54W(a)(i) of the FOI Act.

The Office is subject to the *Privacy Act 1988*. During the reporting period, the Privacy Commissioner received two complaints about our Office. These matters are currently under consideration by the OAIC.

Australian Human Rights Commission

The Office is subject to the jurisdiction of the Australian Human Rights Commission. During the reporting period, the Commission did not receive any new complaints about our Office.

Management of human resources

Overview

The Office Workforce Plan 2015–2019 is aligned to business planning processes. It seeks to identify any high-level trends and developments that will affect the workforce capability needed to deliver

organisational outcomes. It also outlines strategies that will reduce any identified workforce risks.

The Workforce Plan is reviewed on an ongoing basis to identify emerging issues and to begin active mitigation before the potential effects of any workplace risks occur.

The Workforce Plan is complemented by the Office's:

- Learning and Development Strategy 2018–2020
- Diversity and Inclusion Strategy 2018–2021
- Reflect Reconciliation Action Plan 2019
- Multicultural Access and Equity Plan 2019–2020.

Learning and Development

The Learning and Development Strategy 2018–2020 began in January 2018. The strategy sets a framework that delivers greater understanding of our learning and development investment priorities.

It is also linked to the Workforce Plan to ensure employees have the capabilities needed to meet the Office's objectives, now and into the future. The strategy is flexible and responsive in addressing learning and development needs in a diverse and changing environment.

The strategy focuses on the following three priority areas:

- core corporate capabilities
- functional or role-based capabilities
- leadership development and succession planning.

We support staff to undertake relevant study at tertiary institutions through study leave and/or financial assistance.

During 2018–19 we delivered the following learning and development initiatives:

- Trialled clear writing workshops to establish a program to be delivered in 2019 and 2020.
- Trialled leadership workshops to establish a program to be delivered in 2019 and 2020, targeting executive leadership and foundational leadership skills.
- Established an evaluation and reporting procedure for all training activity.
- Partnered with branch learning and development coordinators to set branch priorities and coordinate an office-wide schedule.
- Cooperated with branches to deliver core corporate, functional and role-based offerings, including privacy matters, executive level procurement, disability confident managers and recruiters, and working with Indigenous language interpreters.

Work Health and Safety

The Office is committed to maintaining a safe and healthy workplace for all employees, contractors and visitors. We acknowledge our employer responsibilities under the *Work Health and Safety Act 2011*, the *Safety Rehabilitation and Compensation Act 1988* and relevant anti-discrimination legislation.

During 2018–19 we undertook many health and safety initiatives, including:

- A new office-wide Wellbeing Program consisting of four themes across the calendar year: mindfulness, physical activity, nutrition and staying connected.
- A specialised wellbeing service for areas identified as 'high risk' due to the nature of the work. The service includes one-on-one wellbeing check sessions with staff to work through any areas of risk to the employee's wellbeing and help with proactive strategies for optimal wellbeing.

- A new Employee Assistance Program (EAP) provider was engaged to deliver preventative and active counselling and coaching services to all employees.
- Free flu vaccinations for employees
- The Office achieved Gold accreditation through Mental Health First Aid Australia’s skilled workplace program, as a result of the number of staff who have completed mental health first aid training and the strategic work undertaken in prevention, early intervention and advancing our health and wellbeing programs.
- Workplace safety inspections, resulting in high compliance rates across all offices.
- Staff representative training and refresher training for Health and Safety Representatives, Harassment Contact Officers and First Aid Officers.

During the reporting period there were no notifiable incidents.

Workplace arrangements

The Office’s Enterprise Agreement 2017–20 came into effect on 31 August 2017.

As at 30 June 2019, a total of 230 employees were covered under the current agreement. The Agreement does not make provision for performance pay. Salary advancement within each of the non-SES classifications is linked to performance. Eight employees had an Individual Flexibility Arrangement in place under the provisions contained in the agreement.

Conditions are provided for SES staff under s 24(1) of the *Public Service Act 1999* (Public Service Act). Determinations under s 24(1) of the Public Service Act provide SES annual salary advancement based on performance and do not make provision for performance pay.

The Office does not have any staff employed under Australian Workplace Agreements or common law contracts.

The Office offers non-salary benefits to our employees under the agreement and other individual industrial instruments. These benefits incorporate various types of leave, such as annual, personal and long service leave, as well as flexible working arrangements, access to salary packaging, lifestyle reimbursement and eyewear reimbursement for screen-based work.

Diversity and inclusion

The Office values a diverse representative workforce and strives to foster an inclusive workplace. The Office’s Diversity and Inclusion Strategy provides an overarching framework and targeted action plans to ensure we value and respect the diversity of our employees, stakeholders and partners.

Actions taken in 2018–19 revolved around the themes of recruitment, cultural competence and retention and engagement of diverse groups. Recruitment initiatives included affirmative measure disability and indigenous rounds and indigenous graduate recruitment. Cultural competence and diversity training was mandated for all existing and new staff through the use of e-learning and face to face training. Retention and engagement with various diversity groups was encouraged through the establishment of diversity employee networks, exploration of mentoring programs and the celebration of important cultural events such as NAIDOC week.

Workforce profile

As at 30 June 2019 there were 238 staff (224.7 full time equivalent) employed across the Office. These figures include the Ombudsman and Deputy Ombudsman who are statutory office holders.

Women made up 65 per cent of the Office’s workforce. Fifteen per cent of employees worked part-time. Staff who identified as Indigenous made up 2.94 per cent of our workforce and 5.04 per cent of staff identified as living with a disability.

Table 19—Workforce Profile as at 30 June 2018 and 30 June 2019

Category	At 30 June 2018			At 30 June 2019		
	Ongoing	Non-ongoing	Total	Ongoing	Non-ongoing	Total
APS Classification						
APS2	-	-	-	-	1	1
APS3	13	2	15	5	2	7
APS4	12	4	16	19	2	21
APS5	34	5	39	46	11	57
APS6	40	4	44	47	2	49
Executive Level 1	54	7	61	64	6	70
Executive Level 2	27	1	28	25	-	25
SES Band 1	6	-	6	6	-	6
Statutory Officers	2	-	2	2	-	2
Total	188	23	211	214	24	238
Location						
ACT	112	21	133	131	14	145
NSW	13	1	14	9	4	13
QLD	18	1	19	24	1	25
SA	26	-	26	23	1	24
VIC	16	-	16	24	1	25
WA	3	-	3	3	3	6
Total	188	23	211	214	24	238
Gender and Diversity						
Female	126	14	140	148	18	166
Male	62	9	71	66	6	72
Indigenous	1	2	3	7	-	7

At 30 June 2018

At 30 June 2019

Category	Ongoing	Non-ongoing	Total	Ongoing	Non-ongoing	Total
People with disability	9	-	9	11	1	12
Employment Status						
Full-time	148	17	165	181	20	201
Part-time	40	6	46	33	4	37

Indigenous Australians

Reconciliation Action Plan 2019

On 3 April 2019, the Office launched its Reflect Reconciliation Action Plan (RAP) for 2019. The RAP focuses on improving our relationship with local Aboriginal and Torres Strait Islander communities and increasing staff understanding of the cultural significance of the places where they live and work.

Our RAP provides a public commitment to continuing reconciliation. It includes practical steps to build relationships with Aboriginal and Torres Strait Islander peoples and communities, and to increase our understanding of Aboriginal and Torres Strait Islander cultures and histories. The RAP is part of our work to make our services more accessible to Indigenous peoples.

International Year of Indigenous Languages

To celebrate the International Year of Indigenous Languages, the Office engaged a Ngunnawal traditional custodian to teach senior staff and RAP Working Group members how to present

an Acknowledgment of Country in Ngunnawal language.

2018 NAIDOC week

In July 2018, the Office invited the Wiradjuri Echoes to perform for the Office during NAIDOC Week. The Wiradjuri Echoes shared their culture and history through a traditional performance and dance.

National Reconciliation Week 2019

For National Reconciliation Week 2019, the Office held several events across each of our Office's locations. These events included a Welcome to Country by traditional custodians, naming meeting rooms in local Indigenous languages, a 'sea of hands' capturing staff thoughts on what reconciliation means to them, staff cook-ups using Indigenous colours and ingredients, as well as a series of talks by Indigenous guest speakers. These events helped build staff understanding and appreciation of the importance of National Reconciliation Week in line with this year's theme of 'grounded in truth'.

Cultural and linguistic diversity (CALD)

Multicultural Access and Equity Plan 2019–20

The Office's MAEP sets out our vision that all Australians, regardless of their cultural or linguistic background, are safeguarded in their dealings with Australian Government agencies and prescribed private sector organisations.

We aim to achieve this vision through delivering on six key commitments:

- Leadership—demonstrate a commitment to multicultural access and equity and take responsibility for its implementation.
- Engagement—identify and strategically engage with CALD clients, stakeholders and communities.
- Responsiveness—strategies are in place to ensure that policies, programs, community interactions and service delivery (whether in-house or outsourced) are responsive to CALD Australians.
- Performance—strong and clear mechanisms are in place to measure multicultural access and equity performance.
- Capability—understand, and have the capacity to respond to, the cultural and linguistic diversity of Australia's population.
- Openness—be transparent in the implementation of multicultural access and equity.

Purchasing

The Office is committed to achieving the best value for money in procurement activities and manages this using procurement practices that are consistent with the Commonwealth Procurement Rules. This includes the use of the Commonwealth Contracting Suite to prepare approaches to market and to

formalise contracts. The procurement practices are supported by the Accountable Authority Instructions and internal policies and guidelines.

To improve efficiency in procurement, the Office accesses established procurement panels where possible. The Office supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website. The Office's procurement methods do not discriminate against small and medium-sized enterprises.

Our policies and processes include a requirement to visit the Supply Nation website first, to check whether any Indigenous businesses can provide the goods or services required. We seek to enter into engagements with Indigenous businesses where possible, ensuring that the arrangement adheres to the value for money and best fit principles. All procurements entered into by the Office are done on the basis of value for money and best fit.

All procurements that are in excess of \$10,000 are published on AusTender as soon as practicable.

Consultants

The Office engages consultancy services in circumstances when particular expertise is not available internally or when independent advice is required. Consultancy services include financial services, IT development and mediation services.

No contracts were let containing provisions that do not allow the Auditor-General to have access to the contractor's premises, and no contracts were entered into that were exempt from publication on AusTender. Information on the value of contracts and consultancies is available on the AusTender website at: tenders.gov.au

The Office does not administer any grant programs.

Table 20—Number and expenditure on Consultants Current Report Period (2018-19)

	Total
No. of new contracts entered into during the period	12
Total actual expenditure during the period on new contracts (inc. GST)	\$394,802
No. of ongoing contracts engaging consultants that were entered into during a previous period	1
Total actual expenditure during the period on ongoing contracts (inc. GST)	\$2,998

Advertising campaigns

The Office did not undertake any advertising campaigns.

Exempt contracts

There were no contracts over \$10,000 exempt from reporting on AusTender.

Compliance reporting

There were no significant issues reported to the responsible minister under paragraph 19 (1) (e) of the PGPA Act, which relates to non-compliance with finance law by the Office. We conducted a review of the procurement processes of the Office and have rolled out procurement awareness training to improve staff confidence in meeting the requirements of the Commonwealth Procurement Rules and to ensure awareness of new obligations under the *Government Procurement (Judicial Review) Act 2018*.

An internal compliance process is undertaken throughout the year and the results considered by the Senior Leadership Group and the Audit and Risk Committee.

Asset management

The assets managed by our Office include information and communication technology (ICT) assets, plant and equipment, property, and intangible assets such as software. With the exception of the property assets, all of these assets are handled internally and the five year capital replacement and capital investment plans predict our requirements.

Our ICT assets are managed in-house. Our property plant and equipment assets are primarily ICT assets and are supported by maintenance agreements and warranties. Intangible assets comprise of software and websites, which are either supported internally or through a support contract. The other major asset is property leasehold fit out. We currently have offices in Adelaide, Brisbane, Canberra, Melbourne, Perth and Sydney.

Disability Reporting

Since 1994, non-corporate Commonwealth entities have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission’s State of the Service reports and the APS Statistical Bulletin. These reports are available at apsc.gov.au. From 2010–11, entities have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level, two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. The first of these progress reports was published in 2014, and can be found at dss.gov.au.



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07

APPENDICES

Part 7—Appendices

Appendix 1—All public contacts

Note: The portfolio figure generally includes complaints about the portfolio department plus all of the statutory authorities that sit within the portfolio.

Jurisdiction/Portfolio/Agency	Received	Finalised
ACT	442	445
Commonwealth	18,161	18,303
Agriculture	24	25
Attorney-General's	448	444
Communications and the Arts	245	240
Defence	471	491
Department of Veterans' Affairs	92	110
Education	120	115
Employment, Skills, Small and Family Business	381	379
Environment and Energy	18	21
Finance	70	69
Foreign Affairs and Trade	108	107
Health	260	260
Home Affairs	2,030	2,045
Australian Border Force	350	357
Australian Federal Police	201	198
Human Services	11,653	11,703
Centrelink	10,300	10,339
Industry, Innovation and Science	25	24
Infrastructure, Transport, Cities and Regional Development	37	43
Parliamentary Departments	1	1
Prime Minister and Cabinet	70	80

Jurisdiction/Portfolio/Agency	Received	Finalised
Social Services	1,805	1,856
National Disability Insurance Agency	1,711	1,764
Treasury	395	400
SUBTOTAL: Parliamentary complaints	18,603	18,748
Overseas Student Ombudsman	1,324	1,292
Private Health Insurance Ombudsman	7,106	7,146
Postal Industry Ombudsman	2,503	2,504
VET Student Loans Ombudsman	7,852	4,632
SUBTOTAL: Industry complaints	18,785	15,574
SUBTOTAL: All complaints	37,388	34,322
Defence Force Retirement and Death Benefits Scheme	3,417	3,417
Ombudsman	1,551	1,552
Out of Jurisdiction	6,705	6,762
SUBTOTAL: Enquiries	11,673	11,731
Program Specific (PID, DFO, etc.)	1,176	
TOTAL Public Contacts	50,237	42,636

Appendix 2—Financial Statements



INDEPENDENT AUDITOR'S REPORT

To the Attorney-General

Opinion

In my opinion, the financial statements of the Office of the Commonwealth Ombudsman (‘the Entity’) for the year ended 30 June 2019:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by the Accountable Authority and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority’s responsibility for the financial statements

As the Accountable Authority of the Entity, the Commonwealth Ombudsman is responsible under the *Public Governance, Performance and Accountability Act 2023* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Commonwealth Ombudsman is also responsible for such internal control as the Commonwealth Ombudsman determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commonwealth Ombudsman is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity’s operations will cease as a result of an administrative restructure or for any other reason. The Commonwealth Ombudsman is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

SPFO Box 707 CANBERRA ACT 2611
19 National Circuit BARTON ACT
Phone: (02) 6283 7300 Fax: (02) 6283 7777

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Ron Wah
Audit Principal

Delegate of the Auditor-General

Canberra
19 September 2019

OFFICE OF THE COMMONWEALTH OMBUDSMAN**STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2019 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*, and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Office of the Commonwealth Ombudsman will be able to pay its debts as and when they fall due.

Signed

Michael Manthorpe PSM
Commonwealth Ombudsman
Accountable Authority

17 September 2019

Signed

Therese Anderson
Chief Financial Officer

17 September 2019

OFFICE OF THE COMMONWEALTH OMBUDSMAN
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000	Original budget \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	2A	26,232	23,308	27,038
Suppliers	2B	15,641	11,443	10,574
Depreciation and amortisation	2C	1,248	1,011	950
Write-down of assets	2D	171	209	-
Impairment of assets	2E	-	11	-
Total expenses		43,292	35,982	38,562
OWN-SOURCE INCOME				
Own-source revenue				
Rendering of services		4,164	11,040	2,330
Other revenue		54	54	54
Total own-source revenue		4,218	11,094	2,384
Total own-source income		4,218	11,094	2,384
Net cost of services		39,074	24,889	36,178
Revenue from Government		39,100	23,730	35,228
Total comprehensive income/(loss)		26	(1,158)	(950)

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Explanations are provided where the variance to Original budget (budget) is 10 per cent or above.

Expenses

Supplier expenses exceeded the budget by \$5.1m (48 per cent) due to additional activity associated with receiving \$3.9m in Appropriation Act 3 at the Portfolio Additional Estimates Statements and additional own source revenue. Contractor costs (2019: \$6.8m) increased by 49 per cent from the previous financial year (2018: \$4.6m) due mainly to additional activity associated with the VET FEE-HELP Debts Additional Student Protection measure, not included in the budget.

Depreciation and amortisation expense exceeded budget by \$298k (31 per cent) due to prior year leasehold improvement depreciation and current year software and development acquisitions not known at the time of the budget.

The Write-down of assets outcome of \$171k, against a nil budget, is due to the results of the annual stocktake and the write-down of fitout for premises no longer required due to the move to expanded, more fit for purpose premises.

Own-Source Income and Revenue from Government

Rendering of services exceeded budget by \$1.8m (79 per cent) and is represented by additional ACT Ombudsman services funded by the ACT Government and additional funding received for the international programs funded by the Department of Foreign Affairs and Trade.

The *Appropriation* revenue variance of \$3.9m (11 per cent) is attributed to the Office receiving additional revenue through Appropriation Act 3 in the Portfolio Additional Estimates Statements for: the Postal Industry Ombudsman (\$820k); and, the VET FEE-HELP Debts Additional Student Protection measure (\$3.1m).

OFFICE OF THE COMMONWEALTH OMBUDSMAN
STATEMENT OF FINANCIAL POSITION
as at 30 June 2019

	Notes	2019 \$'000	2018 \$'000	Original budget \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3A	1,531	141	198
Trade and other receivables	3A	12,501	9,710	11,595
Other financial assets - lease incentives	3A	1,829	1,311	-
Total financial assets		15,861	11,162	11,793
Non-financial assets				
Leasehold improvements	3B	2,999	2,775	-
Plant and equipment	3B	1,103	1,223	3,049
Intangibles	3B	1,515	776	492
Prepayments		543	566	335
Total non-financial assets		6,160	5,340	3,876
Total assets		22,021	16,502	15,669
LIABILITIES				
Payables				
Suppliers	4A	3,378	332	780
Other payables	4B	4,067	3,533	3,733
Leases	4C	1,379	1,347	-
Total payables		8,824	5,212	4,513
Provisions				
Employee provisions		6,709	5,655	5,093
Other provisions		220	220	652
Total provisions		6,929	5,876	5,745
Total liabilities		15,753	11,087	10,258
Net assets		6,268	5,415	5,411
EQUITY				
Contributed equity		10,089	9,262	10,079
Reserves		1,069	1,069	1,069
Accumulated deficit		(4,890)	(4,916)	(5,737)
Total equity		6,268	5,415	5,411

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Explanations are provided where the variance to Original budget (budget) is 10 per cent or above.

Assets

Cash and cash equivalents exceeded budget by \$1.3m (six times over budget) and is directly related to timing differences between the funds drawn down from the Consolidated Revenue Fund and the payments to suppliers.

Other financial assets exceeded budget by \$1.8m (100 per cent) and relates to the recognition of a new lease incentive, not included in the budget.

In the budget *Leasehold improvements* was identified against Plant and Equipment (PE) to show a budget variance for PE of \$2.0m (65 per cent). For both categories a net \$1.0m (35 per cent) variance in excess of the budget was due to the completion of the office fitout plan and the purchase of ICT equipment.

Intangibles exceeded budget by three times due to the purchase of new software and the development of the Private Health Insurance Ombudsman website \$1.0m, not known at the time of the budget.

Prepayments exceeded the budget by \$208k (62 per cent) and is due to increased prepayments for software licences and staff training and wellbeing costs, commensurate with the increase in staffing levels.

Liabilities

Suppliers was three times over the budget, with a variance of \$2.6m. Of this, \$1.3m is due to the final payment run not being processed for 2019, and the remaining \$1.3m is for supplier accruals being higher than expected, commensurate with the increased activities for the Office.

Leases exceeded budget by \$1.3m as not identified in the budget and is consistent with the 2017-18 outcome.

Employee provisions exceeded budget by \$1.6m (32 per cent) and is attributed to an increase in ASL of 18, from 201 (2018) to 219 (2019), plus a change in the Government bond rate and salary growth rate as at 30 June 2019.

Other provisions is less than budget by \$432k (66 per cent) due to the budget not taking into consideration prior year changes to contracts. There was no movement in the provision from 2017-18.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2019

	2019	2018	Original Budget
	\$'000	\$'000	\$'000
CONTRIBUTED EQUITY			
Opening Balance			
Balance carried forward from previous period	9,262	8,441	9,262
Comprehensive income			
Transactions with owners			
Contributions by owners			
Departmental capital budget	817	821	817
Other ⁽¹⁾	10	-	-
Total transactions with owners	827	821	-
Closing Balance as at 30 June	10,089	9,262	9,262
RETAINED EARNINGS			
Opening Balance			
Balance carried forward from previous period	(4,916)	(3,758)	(4,825)
Comprehensive income			
Surplus/(Deficit) for the period	26	(1,158)	(950)
Transactions with owners			
Distribution to owners			
Other	-	-	38
Closing Balance as at 30 June	(4,890)	(4,916)	(5,737)
ASSET REVALUATION RESERVE			
Opening Balance			
Balance carried forward from previous period	1,069	1,069	1,069
Closing Balance as at 30 June	1,069	1,069	1,069
TOTAL EQUITY			
Opening Balance			
Balance carried forward from previous period	5,415	5,752	5,506
Comprehensive income			
Surplus/(Deficit) for the period	26	(1,158)	(950)
Transactions with owners			
Contributions by owners			
Departmental capital budget	817	821	817
Other	10	-	-
Distributions to owners			
Other	-	-	38
Total transactions with owners	827	821	855
Closing Balance as at 30 June	6,268	5,415	5,411

Note:

(1) 2015-16 Appropriation Act 1 has been repealed resulting in the reversal of a \$10k quarantined for the 2014-15 Mid-Year Economic and Fiscal Outlook measure Public Sector Superannuation Accumulation Plan administration fees.

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
CASH FLOW STATEMENT
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000	Original budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		41,878	35,935	35,577
Rendering of services		5,699	11,944	2,329
Net GST received		1,030	939	2
Other		847	1,167	(6)
Total cash received		49,454	49,986	37,902
Cash used				
Employees		25,443	22,833	27,013
Suppliers		15,970	14,157	10,608
Section 74 receipts transferred to the OPA		5,323	13,061	281
Total cash used		46,736	50,051	37,902
Net cash from/(used by) operating activities		2,718	(65)	-
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		1,112	1,795	817
Purchase of intangibles		1,150	330	-
Total cash used		2,262	2,125	817
Net cash used by investing activities		(2,262)	(2,125)	(817)
FINANCING ACTIVITIES				
Cash received				
Departmental Capital Budget		934	2,134	817
Total cash received		934	2,134	817
Net cash from financing activities		934	2,134	817
Net increase/(decrease) in cash held		1,390	(57)	-
Cash and cash equivalents at the beginning of the reporting period		141	198	198
Cash and cash equivalents at the end of the reporting period	3A	1,531	141	198

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Explanations are provided where the variance to Original budget (budget) is 10 per cent or above.

Operating Activities

Cash received

Appropriations were 18 per cent over budget due largely to the Section 74 receipts transferred to the Official Public Account (OPA).

Rendering of services exceeded budget by one and a half times with a variance of \$3.4m. This variance is due to \$1.2m being received from the Department of Defence for work completed in 2017-18, and the difference in the original estimate for the international programs (\$1.3m) and ACT Ombudsman function (\$800k) compared to the actual funding received from the Department of Foreign Affairs and Trade and ACT Government respectively.

Net GST received budget of \$2k was significantly understated and caused a variance of \$1.0m.

Other cash received has a variance of \$853k to budget, mainly due to staff movements to the Office being higher than planned. This variance consists of cash received for new starter leave liabilities transferring from other Commonwealth entities (\$595k), refunds from Comcare (\$70k), paid parental leave (\$91k) and one off payments.

Cash used

The increase in *Suppliers* of \$5.4m (51 per cent) against the budget, mainly due to the additional activity associated with the VET FEE-HELP Debts Additional Student Protection measure and Postal Industry Ombudsman, not included in the budget.

Section 74 receipts transferred to the OPA was \$5.0m above the derived budget of \$281k. The budget was significantly understated.

Investing Activities

Cash used

The Office exceeded budget by over two and a half times. For Departmental Capital Budget (DCB), it has drawn down on current (\$817k) and prior year (\$117k) funds, and used current year Departmental Operating (\$1.3m) to fund the fitout of new premises and the enhancement of software. In the budget, DCB was applied against the purchase of property, plant and equipment.

Financing Activities

Cash received

The variance to budget (14 per cent) is the draw down of \$117k in unspent prior year DCB to fund the purchase of property, plant and equipment and intangibles. This decision was made after the budget.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note

- 1: Overview
- 2: Expenses
- 3: Assets
- 4: Payables
- 5: Key Management Personnel Remuneration
- 6: Related Party Disclosures
- 7: Financial Instruments
- 8: Appropriations
- 9: Aggregate Assets and Liabilities

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 1: Overview

1.1 Basis of Preparation of the Financial Statements

The Financial Statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The Financial Statements have been prepared in accordance with the:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The Financial Statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The Financial Statements are presented in Australian dollars.

1.2 Significant Accounting Judgements and Estimates

No accounting assumptions or estimates or other judgements have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.3 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. There have been no further new standards, revised standards, amended standards or interpretations that were issued by the AASB prior to the sign off date, which are applicable to the current reporting period and have a material financial impact on the Office.

The Office has applied AASB 9 Financial Instruments in 2018-19. The Office's financial instruments are disclosed in Note 7.

Future Australian Accounting Standard Requirements

The following new, revised or amended standards and interpretations were issued by the AASB prior to the signing of the Financial Statements by the Accountable Authority and Chief Financial Officer, are expected to have a material impact on the Office's Financial Statements for future reporting periods:

- a) The Office expects to apply AASB 16 Leases from 2019-20. The Office's existing operating lease commitments are disclosed in Note 2B.
- b) The Office expects to apply AASB 1058 Income of Not-for-Profit Entities, in conjunction with AASB 15 Revenue from Contracts with Customers from 2019-20. The Office's income is disclosed in the Income Statement.

1.4 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

The Office had no contingent assets or liabilities in 2019 (2018: nil).

The Office has identified in its contracts and leases a number of indemnity provisions. None of these are quantifiable and all are considered remote. There are no existing or likely claims of which the Office is aware (2018: nil).

1.5 Taxation

The Office is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

1.6 Events After the Reporting Period

No significant events occurred after balance date.

1.7 Accounting Policy

Receivables

Goods and services, with 30 day terms, are recognised at the nominal amounts due, less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Rendering of Services

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) the probable economic benefits associated with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 1: Overview

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition unless received from another Government Office or authority as a consequence of a restructuring of administrative arrangements.

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

Revenue from Government

Amounts appropriated for departmental outcomes for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Office gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for personal leave as all personal leave is non-vesting and the average personal leave taken in future years by employees of the Office is estimated to be less than the annual entitlement for personal leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Office's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The liability for long service leave has been determined by reference to the estimated future cash flows to be made in respect to all employees as at 30 June 2019. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Office recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Employees of the Office are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other contributory funds as nominated by the employee. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and the other funds are defined contribution schemes. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance as an administered item. The Office makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Office accounts for the contributions as if they were contributions to defined contribution plans. The liability for superannuation recognised as at 30 June 2019 represents outstanding contributions for the final working day of the year.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2019

Note 2: Expenses

	2019	2018
	\$'000	\$'000
Note 2A: Employee Benefits		
Wages and salaries	19,177	17,233
Superannuation:		
Defined contribution plans	1,986	1,701
Defined benefit plans	1,566	1,475
Leave and other entitlements	3,070	2,628
Separation and redundancies	433	271
Total employee benefits	26,232	23,308
Note 2B: Suppliers		
Goods and services		
Travel	1,650	1,354
Information technology and communications	1,434	860
Employee related	1,058	776
Property operating expenses	776	1,155
Media related	200	235
Consultants and contractors	6,803	4,554
Printing, stationery and postage	225	95
Other	897	599
Total goods and services	13,043	9,627
Other supplier expenses		
Operating lease rentals	2,471	1,554
Workers compensation expenses	127	262
Total other supplier expenses	2,598	1,817
Total supplier expenses	15,641	11,443
Leasing commitments		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	3,277	2,939
Between 1 to 5 years	13,725	13,949
More than 5 years	185	879
Total operating lease commitments	17,187	17,768

Accounting Policy

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 2: Expenses

	2019	2018
	\$'000	\$'000
Note 2C: Depreciation and Amortisation		
Depreciation:		
Leasehold improvements	525	323
Property, plant and equipment	334	326
Amortisation:		
Intangibles - Computer Software	389	362
Total depreciation and amortisation	<u>1,248</u>	<u>1,011</u>
Note 2D: Write-Down and Impairment of Assets		
Asset write-downs and impairments from:		
Write-down of property, plant and equipment	171	209
Total write-down and impairment of assets	<u>171</u>	<u>209</u>
Note 2E: Impairment Loss Allowance on Financial Instruments		
Write-down of financial instruments	-	11
Total impairment on financial instruments	<u>-</u>	<u>11</u>

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 3: Assets

	2019 \$'000	2018 \$'000
Note 3A: Financial Assets		
Cash and Cash Equivalents		
Cash on hand or on deposit	1,531	141
Total cash and cash equivalents	1,531	141
Trade and Other Receivables		
Good and Services:		
Goods and services	156	1,288
Appropriations receivable:		
For existing programs	11,929	8,288
Other receivables:		
GST receivable from the Australian Taxation Office	416	135
Total trade and other receivables	12,501	9,710
Receivables are expected to be recovered within 12 months.		
Other Financial Assets		
Lease incentives	1,829	1,311
Total other financial assets	1,829	1,311
Total other financial assets are expected to be recovered within the term of the lease.		

Note 3B: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Leasehold improvements \$'000	Other plant & equipment \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2018				
Gross book value	3,072	1,539	3,428	8,039
Accumulated depreciation and impairment	(297)	(315)	(2,653)	(3,265)
Net book value 1 July 2018	2,775	1,223	776	4,774
Additions:				
By purchase	890	222	1,150	2,262
Depreciation and amortisation	(525)	(334)	(389)	(1,248)
Disposals:				
Other	(141)	(8)	(22)	(171)
Net book value 30 June 2019	2,999	1,103	1,515	5,617
Net book value as of 30 June 2019 represented by:				
Gross book value ⁽¹⁾	3,731	1,735	3,348	8,814
Accumulated depreciation, amortisation and impairment	(732)	(632)	(1,833)	(3,197)
Net book value 30 June 2019	2,999	1,103	1,515	5,617

Note:

(1) The gross book value of computer software has reduced due to the write-off of redundant software that was held at nil value in the asset register. This has led to a reduction in the gross book value of \$1.2m without a corresponding disposal figure.

No indicators of impairment were found for property, plant and equipment.

No property, plant and equipment and intangibles are expected to be sold or disposed of within the next 12 months.

No revaluations were undertaken during the reporting period.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 3: Non-Financial Assets

Accounting Policy

Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the Office where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Office's leasehold improvements with a corresponding provision for the 'makegood' recognised.

Revaluations

Fair values for each class of asset are determined as shown below:

<u>Asset Class</u>	<u>Fair value measured at:</u>
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Depreciated replacement cost & market selling price

Following initial recognition at cost, property plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Office using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2019	2018
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 10 years	3 to 10 years

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 3: Non-Financial Assets

Accounting Policy

Impairment

All assets were assessed for impairment at 30 June 2019. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Office were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

The Office's intangibles comprise internally developed and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Office's software are one to eight years (2018: 1 to 8 years).

All software assets were assessed for indications of impairment as at 30 June 2019.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 4: Payables

	2019 \$'000	2018 \$'000
Note 4A: Suppliers		
Trade creditors and accruals	3,378	332
Total supplier payables	<u>3,378</u>	<u>332</u>

Settlement is usually made within 30 days.

Note 4B: Other Payables

Salaries and wages	197	223
Superannuation	28	70
Separations and redundancies	303	233
Leases	2,580	2,215
Unearned income	771	717
Other	188	76
Total other payables	<u>4,067</u>	<u>3,533</u>

Note 4C: Leases

Operating lease rentals ⁽¹⁾	1,379	1,347
Total leases	<u>1,379</u>	<u>1,347</u>

Note:

(1) For minimum lease payments expected to be settled within one year up to more than five years, see Note 2B.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 5: Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The entity has determined the key management personnel to be the Ombudsman, the Deputy Ombudsman, the Chief Operating Officer and the five Senior Assistant Ombudsmen. Key management personnel remuneration is reported in the table below:

	2019	2018
	\$'000	\$'000
Short-term employee benefits:		
Salary	1,829	2,026
Motor vehicle and other allowances	200	151
Total short-term employee benefits	<u>2,029</u>	<u>2,177</u>
Post-employment benefits:		
Superannuation	323	328
Total post-employment benefits	<u>323</u>	<u>328</u>
Other long-term benefits:		
Long-service leave	154	47
Total other long-term benefits	<u>154</u>	<u>47</u>
Total	<u>2,506</u>	<u>2,551</u>

The total number of key management personnel that occupied these positions included in the above table is eight individuals (2018: 13 individuals).

For 2018-19 an assessment of acting arrangements was undertaken to determine if officers on higher duties meet the criteria for key management personnel reporting; the outcome of the assessment was that no officers met the reporting criteria.

The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 6: Related Party Disclosures

Related party relationships:

The entity is an Australian Government controlled entity. Related parties to this entity are Key Management Personnel including the Portfolio Minister and Executive, and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed.

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 7: Financial Instruments

	Note	2019 \$'000	2018 \$'000
Note 7: Categories of Financial Instruments			
Financial Assets under AASB 139			
Loans and receivables:			
Cash and cash equivalents	3A		141
Trade and other receivables	3A		1,288
Carrying amount of financial assets			1,428
Financial Assets under AASB 9			
Financial assets at amortised cost:			
Cash and cash equivalents	3A	1,531	
Trade and other receivables	3A	156	
Carrying amount of financial assets		1,687	
Financial Liabilities			
At amortised cost:			
Supplier payables	4A	3,378	332
Carrying amount of financial liabilities		3,378	332

Classification of financial assets on the date of initial application of AASB 9

Financial assets class	Note	AASB 139 original classification	AASB 9 new classification	AASB 139 carrying amount at 1 July 2018 \$'000	AASB 9 carrying amount at 1 July 2018 \$'000
Cash and Cash Equivalents	3A	Loans and receivables	Amortised Cost	141	141
Trade receivables	3A	Loans and receivables	Amortised Cost	1,288	1,288
Total financial assets				1,428	1,428

Reconciliation of carrying amounts of financial assets on the date of initial application of AASB 9

	Note	AASB 139 carrying amount at 30 June 2018 \$'000	Reclassification \$'000	Remeasurement \$'000	AASB 9 carrying amount at 1 July 2018 \$'000
Financial assets at amortised cost					
Cash and Cash Equivalents	3A	141	-	-	141
Trade receivables	3A	1,288	-	-	1,288
Total amortised cost		1,428	-	-	1,428

Note: The change in carrying amount of financial assets based on measurement under AASB 139 is nil. The change in measurement on transition to AASB 9 is nil.

Accounting Policy

Financial Assets

With the implementation of AASB 9 Financial Instruments for the first time in 2019, the Office classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date. Comparatives have not been restated on initial application.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 7: Financial Instruments

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a de-recognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 8: Appropriations

Table A: Annual Appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2019

	<i>Appropriation Act</i>		<i>PGPA Act</i>		Total Appropriation \$'000	Appropriation applied (current and prior years) \$'000	Variance ^(a) \$'000
	Annual Appropriation \$'000	AFM \$'000	Section 74 \$'000	Section 75 \$'000			
DEPARTMENTAL							
Ordinary annual services	39,100	-	5,323	-	44,423	40,488	3,935
Capital Budget	817	-	-	-	817	934	(117)
Total departmental	39,917	-	5,323	-	45,240	41,422	3,818

Notes:

(a) The variance of \$0.1m in the capital budget was primarily due to the office using prior year Departmental Capital Budget to fund the fitout of office premises.

Annual Appropriations for 2018

	<i>Appropriation Act</i>		<i>PGPA Act</i>		Total Appropriation \$'000	Appropriation applied (current and prior years) \$'000	Variance \$'000
	Annual Appropriation \$'000	AFM \$'000	Section 74 \$'000	Section 75 \$'000			
DEPARTMENTAL							
Ordinary annual services	23,730	-	13,061	-	36,791	36,001	790
Capital Budget	821	-	-	-	821	2,125	(1,304)
Total departmental	24,551	-	13,061	-	37,612	38,126	(514)

Table B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2019 \$'000	2018 \$'000
Authority		
DEPARTMENTAL		
2017-18 Appropriation Act 1	-	8,171
2017-18 Appropriation Act 1- Departmental Capital Budget	-	117
2018-19 Appropriation Act 1	10,726	-
Total	10,726	8,288
Cash on hand or on deposit	1,531	141

**OFFICE OF THE COMMONWEALTH OMBUDSMAN
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 9: Aggregate Assets and Liabilities

Note 9: Aggregate Assets and Liabilities

	2019	2018
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months	14,921	10,602
More than 12 months	<u>7,100</u>	<u>5,900</u>
Total assets	<u>22,021</u>	<u>16,502</u>
Liabilities expected to be settled in:		
No more than 12 months	7,748	4,090
More than 12 months	<u>8,005</u>	<u>6,997</u>
Total liabilities	<u>15,753</u>	<u>11,087</u>

Appendix 3—Information Publication Scheme

The Information Publication Scheme (IPS) applies to Australian Government agencies that are subject to *the Freedom of Information Act 1982*. This scheme requires an agency to publish a broad range of information on their website.

The Commonwealth Ombudsman’s website makes available the Office’s Information Publication Scheme plan, describing how the Office complies with these requirements and giving access to information published under the scheme. More information can be found at: ombudsman.gov.au/Our-responsibilities/seeking-information/information-publication-scheme

Appendix 4—Management of Human Resources

Table 21—Information about Remuneration for Key Management Personnel

Name	Position title	Short term		Bonuses	Other	Post	Other long term			Termination	
		benefits	Base salary				employment	benefits	Long service		Other
					benefits	benefits	benefits	leave	long	benefits	remuneration
					and	contributions		term	benefits		
					allowances						
Michael Manthorpe	Commonwealth Ombudsman	\$403,085	\$5,293	\$62,834	\$54,050					\$525,262	
Jaala Hinchcliffe	Deputy Ombudsman	\$315,664	\$5,293	\$51,015	\$10,843					\$382,815	
Fiona Sawyers	Senior Assistant Ombudsman	\$191,995	\$32,881	\$35,077	\$23,444					\$283,397	
Paul Pfitzner	Senior Assistant Ombudsman	\$188,794	\$33,373	\$33,664	\$14,570					\$270,401	
Louise Macleod	Senior Assistant Ombudsman	\$181,909	\$33,243	\$32,506	\$4,451					\$252,109	
Autumn O'Keefe	Senior Assistant Ombudsman	\$179,875	\$32,609	\$36,695	\$29,738					\$278,917	
Dermot Walsh	Senior Assistant Ombudsman	\$189,790	\$20,978	\$35,876	\$5,697					\$252,341	
Rodney Lee Walsh	Chief Operating Officer	\$177,484	\$36,102	\$35,741	\$10,925					\$260,252	

Note: Management personnel are entitled to long service leave as provided for in the *Long Service Leave (Commonwealth Employees) Act 1976*

Table 22- Information about remuneration for senior executives

Total remuneration bands	Number of senior executives	Short term benefits		Average bonuses	Average other benefits and allowances	Average superannuation contributions	Post employment benefits	Other long term benefits		Average termination benefits	Total remuneration
		Average base salary	Average other benefits					Average long service leave	Average other long term benefits		
\$0- \$220,000											
\$220,001- \$245,000											
\$245,001- \$270,000	3	\$183,061	\$30,108	\$34,708	\$7,024						\$254,900
\$270,001- \$295,000	3	\$186,888	\$32,954	\$35,146	\$22,584						\$277,571
\$295,001- \$320,000											
\$320,001- \$345,000											
\$345,001- \$370,000											
\$370,001- \$395,000	1	\$315,664	\$5,293	\$51,015	\$10,844						\$382,815
\$395,001- \$420,000											
\$420,001- \$445,000											
\$445,001- \$470,000											
\$470,001- \$495,000											
\$495,001- \$...	1	\$403,085	\$5,293	\$62,834	\$54,050						\$525,262

Note: Remuneration information is provided for SES Band 1 personnel in addition to the Ombudsman and Deputy Ombudsman (rates are as prescribed by the Remuneration Tribunal Determination 1 July 2018)

Table 23—All Ongoing Employees Current Report Period (2018-19)

	Male			Female			Indeterminate			Total
	Full-time	Part-Time	Total Male	Full-time	Part-Time	Total Female	Full-time	Part-Time	Total	
NSW	1	-	1	6	2	8	-	-	-	9
Qld	5	-	5	16	3	19	-	-	-	24
SA	4	-	4	12	7	19	-	-	-	23
Tas	-	-	-	-	-	-	-	-	-	-
Vic	8	1	9	12	3	15	-	-	-	24
WA	1	-	1	1	1	2	-	-	-	3
ACT	43	3	46	72	13	85	-	-	-	131
NT	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	62	4	66	119	29	148	-	-	-	214

Table 24—All Non-Ongoing Employees Current Report Period (2018-19)

	Male			Female			Indeterminate			Total
	Full-time	Part-Time	Total Male	Full-time	Part-Time	Total Female	Full-time	Part-Time	Total	
NSW	1	-	1	3	-	3	-	-	-	4
Qld	-	-	-	1	-	1	-	-	-	1
SA	-	-	-	1	-	1	-	-	-	1
Tas	-	-	-	-	-	-	-	-	-	-
Vic	-	-	-	1	-	1	-	-	-	1
WA	1	-	1	2	-	2	-	-	-	3
ACT	4	-	4	6	4	10	-	-	-	14
NT	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	6	-	6	14	4	18	-	-	-	24

Table 25—All Ongoing Employees Previous Report Period (2017–18)

	Male			Female			Indeterminate			Total
	Full-time	Part-Time	Total Male	Full-time	Part-Time	Total Female	Full-time	Part-Time	Total	
NSW	3	-	3	8	2	10	-	-	-	13
Qld	3	1	4	10	4	14	-	-	-	18
SA	5	-	5	17	5	22	-	-	-	27
Tas	-	-	-	-	-	-	-	-	-	-
Vic	4	-	4	8	3	11	-	-	-	15
WA	1	-	1	2	-	2	-	-	-	3
ACT	41	4	45	50	17	67	-	-	-	112
NT	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	57	5	62	95	31	126	-	-	-	188

Table 26—All Non-Ongoing Employees Previous Report Period (2017–18)

	Male			Female			Indeterminate			Total
	Full-time	Part-Time	Total Male	Full-time	Part-Time	Total Female	Full-time	Part-Time	Total	
NSW	-	-	-	1	1	2	-	-	-	2
Qld	1	-	1	-	-	-	-	-	-	1
SA	-	-	-	-	-	-	-	-	-	-
Tas	-	-	-	-	-	-	-	-	-	-
Vic	-	-	-	-	-	-	-	-	-	-
WA	-	-	-	-	-	-	-	-	-	-
ACT	7	1	8	10	2	12	-	-	-	20
NT	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	8	1	9	11	3	14	-	-	-	23

Table 27—Australian Public Service Act Ongoing Employees Current Report Period (2018-19)

	Male			Female			Indeterminate			Total
	Full-time	Part-Time	Total Male	Full-time	Part-Time	Total Female	Full-time	Part-Time	Total	
SES 3	-	-	-	-	-	-	-	-	-	-
SES 2	-	-	-	-	-	-	-	-	-	-
SES 1	3	-	3	3	-	3	-	-	-	6
EL 2	7	-	7	17	1	18	-	-	-	25
EL 1	17	4	21	34	9	43	-	-	-	64
APS 6	14	-	14	26	7	33	-	-	-	47
APS 5	14	-	14	25	7	32	-	-	-	46
APS 4	5	-	5	12	2	14	-	-	-	19
APS 3	1	-	1	1	3	4	-	-	-	5
APS 2	-	-	-	-	-	-	-	-	-	-
APS 1	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
TOTAL	61	4	65	118	29	147	-	-	-	212

Table 28—Australian Public Service Act Non-Ongoing Employees Current Report Period (2018-19)

	Male			Female			Indeterminate			Total
	Full-time	Part-Time	Total Male	Full-time	Part-Time	Total Female	Full-time	Part-Time	Total	
SES 3	-	-	-	-	-	-	-	-	-	-
SES 2	-	-	-	-	-	-	-	-	-	-
SES 1	-	-	-	-	-	-	-	-	-	-
EL 2	-	-	-	-	-	-	-	-	-	-
EL 1	1	-	1	3	2	5	-	-	-	6
APS 6	1	-	1	1	-	1	-	-	-	2
APS 5	4	-	4	5	2	7	-	-	-	11

	Male			Female			Indeterminate			Total	
APS 4	-	-	-	2	-	-	2	-	-	-	2
APS 3	-	-	-	2	-	-	2	-	-	-	2
APS 2	-	-	-	-	1	-	1	-	-	-	1
APS 1	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
TOTAL	6	-	6	13	5	-	18	-	-	-	24

Table 29—Australian Public Service Act Ongoing Employees Previous Report Period (2017–18)

	Male			Female			Indeterminate			Total	
	Full-time	Part-Time	Total Male	Full-time	Part-Time	Total Female	Full-time	Part-Time	Total		
SES 3	-	-	-	-	-	-	-	-	-	-	-
SES 2	-	-	-	-	-	-	-	-	-	-	-
SES 1	3	-	3	4	-	4	-	-	-	-	7
EL 2	8	1	9	14	3	17	-	-	-	-	26
EL 1	20	2	22	24	8	32	-	-	-	-	54
APS 6	12	1	13	20	7	27	-	-	-	-	40
APS 5	10	1	11	17	6	23	-	-	-	-	34
APS 4	3	-	3	7	2	9	-	-	-	-	12
APS 3	-	-	-	8	5	13	-	-	-	-	13
APS 2	-	-	-	-	-	-	-	-	-	-	-
APS 1	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
TOTAL	56	5	61	94	31	125	-	-	-	-	186

Table 30—Australian Public Service Act Non-Ongoing Employees Previous Report Period (2017-18)

	Male			Female			Indeterminate			Total
	Full-time	Part-Time	Total Male	Full-time	Part-Time	Total Female	Full-time	Part-Time	Total	
SES 3	-	-	-	-	-	-	-	-	-	-
SES 2	-	-	-	-	-	-	-	-	-	-
SES 1	-	-	-	-	-	-	-	-	-	-
EL 2	1	-	1	-	-	-	-	-	-	1
EL 1	1	1	2	4	1	5	-	-	-	7
APS 6	1	-	1	2	1	3	-	-	-	4
APS 5	2	-	2	2	1	3	-	-	-	5
APS 4	1	-	1	2	1	3	-	-	-	4
APS 3	2	-	2	-	-	-	-	-	-	2
APS 2	-	-	-	-	-	-	-	-	-	-
APS 1	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
TOTAL	8	1	9	10	4	14	-	-	-	23

Table 31—Australian Public Service Act Employees by full time and Part time Status Current Report Period (2018-19)

	Ongoing			Non-Ongoing			Total
	Full-time	Part-Time	Total Ongoing	Full-time	Part-Time	Total Non-Ongoing	
SES 3	-	-	-	-	-	-	-
SES 2	-	-	-	-	-	-	-
SES 1	6	-	6	-	-	-	6
EL 2	24	1	25	-	-	-	25
EL 1	51	13	64	5	1	6	70
APS 6	40	7	47	2	-	2	49
APS 5	39	7	46	9	2	11	57

	Ongoing			Non-Ongoing			Total
APS 4	17	2	19	2	-	2	21
APS 3	4	1	5	2	-	2	7
APS 2	-	-	-	-	1	1	1
APS 1	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL	181	31	212	20	4	24	236

Table 32—Australian Public Service Act Employees by Full-time and Part-time Status Previous Report Period (2017–18)

	Ongoing			Non-Ongoing			Total
	Full-time	Part-Time	Total Ongoing	Full-time	Part-Time	Total Non-Ongoing	
SES 3	-	-	-	-	-	-	-
SES 2	-	-	-	-	-	-	-
SES 1	7	-	7	-	-	-	7
EL 2	22	4	26	1	-	1	27
EL 1	44	10	54	5	2	7	61
APS 6	32	8	40	3	1	4	44
APS 5	27	7	34	4	1	5	39
APS 4	10	2	12	3	1	4	16
APS 3	8	5	13	2	-	2	15
APS 2	-	-	-	-	-	-	-
APS 1	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL	150	36	186	18	5	23	209

Table 33—Australian Public Service Act Employment Type by Location, Current Report Period (2018-19)

	Ongoing	Non-Ongoing	Total
NSW	9	4	13
Qld	24	1	25
SA	23	1	24
Tas	-	-	-
Vic	24	1	25
WA	3	3	6
ACT	131	14	145
NT	-	-	-
Overseas	-	-	-
Total	214	24	238

Table 34—Australian Public Service Act Employment Type by Location, Previous Report Period (2017-18)

	Ongoing	Non-Ongoing	Total
NSW	13	1	14
Qld	18	1	19
SA	26	-	26
Tas	-	-	-
Vic	16	-	16
WA	3	-	3
ACT	112	21	133
NT	-	-	-
Overseas	-	-	-
Total	188	23	211

Table 35—Australian Public Service Act Indigenous Employment, Current Report Period (2018–19)

	Total
Ongoing	7
Non-Ongoing	-
Total	7

Table 36—Australian Public Service Act Indigenous Employment, Previous Report Period (2017–18)

	Total
Ongoing	1
Non-Ongoing	2
Total	3

Table 37—Australian Public Service Act Employment arrangements Current Report Period (2018–19)

	SES	Non-SES	Total
Office of the Commonwealth Ombudsman Enterprise Agreement 2017-20	-	222	222
Determinations under subsection 24(1)	6	-	6
Individual Flexibility Arrangements	-	8	8
Total	6	230	236

Table 38—Australian Public Service Act Employment salary ranges by classification level (Minimum/Maximum) Current Report Period (2018-19)

	Minimum Salary	Maximum Salary
SES 3	-	-
SES 2	-	-
SES 1	\$165,373	\$194,617
EL 2	\$118,654	\$134,489
EL 1	\$101,905	\$110,041
APS 6	\$79,494	\$91,313
APS 5	\$73,598	\$78,043
APS 4	\$65,988	\$71,645
APS 3	\$59,207	\$63,903
APS 2	\$51,980	\$57,642
APS 1	\$45,929	\$50,766
Other	-	-
TOTAL	-	-

Appendix 5—Entity Resources Statement

Entity Resource Statement 2018-19

	Actual available appropriation for 2018-19 \$'000	Payments made 2018-19 \$'000	Balance 2018-19 \$'000
	(a)	(b)	(a)- (b)
Ordinary Annual Services ¹			
Departmental appropriation ²	52,623	41,422	11,201
Adjustment- actual s74 ³	1,056	-	1,056
Total resourcing and payments	53,679	41,422	12,257

1 Appropriation Act (No. 1) 2018-19 and Appropriation Act (No. 3) 2018-19. This also includes prior year departmental appropriation and S74 relevant agency receipts.

2 Includes an *available* amount of \$0.817m in 2018-19 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contribution by owners'.

3 Actual s74 receipts in 2018-19 were \$5.323m compared to the Budget estimate of \$4.267m.

Resource Summary Table - Expenses for Outcome 1

Outcome 1: Fair and accountable administrative action by Australian Government entities and prescribed private sector organisations, by investigating complaints, reviewing administrative action and statutory compliance inspections and reporting.

	Budget	Actual Expenses	Variance
	2018–19	2018–19	2018–19
	\$'000	\$'000	\$'000
Program 1.1: Office of the Commonwealth Ombudsman			
Departmental expenses			
Departmental appropriation ¹	43,367	41,989	1,378
Expenses not requiring appropriation in the Budget year	1,004	1,302	(298)
Total for Program 1.1	44,371	43,291	1,080
Total for Outcome 1	44,371	43,291	1,080
Average Staffing Level (number)	220	219	1

1 Departmental Appropriation combines 'Ordinary annual services' (Appropriation Act No. 1 and Appropriation Act No. 3) and 'Revenue from independent sources (S74)'.

Appendix 6—Ecologically Sustainable Development and Environmental Performance

Section 516A of the *Environment Protection and Biodiversity Act 1999* sets out the principles and framework for the Office to report on environmental matters. We also have an environmental management policy to help us manage activities in a sustainable manner. Our environmental impact is mainly through office-based energy consumption, paper resources and waste management.

Energy consumption

In 2018–19 the Office continues to manage its energy consumption and drive efficiencies. All new tenancies have included smart lighting and the introduction of LED globes to further reduce energy consumption. Total energy consumption across all of the Office’s tenancies has increased by 15 per cent while the growth in staffing has been 24 per cent.

Paper resources

The Office ensures we engage in predominantly digital record-keeping and e-business practices to reduce paper files. Our paper supplies are either carbon neutral or manufactured from at least 50 per cent recycled products. Other materials such as files, folders and unused stationery are recycled within the Office to reduce procurement activity for stationery.

Waste management

We actively manage the waste we produce through several mechanisms:

- Recycling bins are provided in all offices to encourage recycling of waste such as paper and cardboard packaging.
- All print toner cartridges are recycled.
- Follow me printing is available in all offices. Follow me printing allows users to print to a shared print queue, roam and release their print job from any enabled output device. This ensures printing is confidential to the user and reduces printed waste from documents left uncollected at the printer i.e. each staff member must release their print job at the physical printer otherwise the print job is lost after one hour.
- Recycling bins are provided in kitchen breakout areas for plastic bottles and cans.

Appendix 7—Correction of material errors in previous annual report

The financial year for DHS complaints referenced in the table was 2017–18 not 2018–19 as reported on page 24 of the 2017–18 annual report.

The Office’s attendance at the 9th International Conference of Ombuds Institutions for the Armed Forces, co-hosted by the Geneva Centre for the Democratic Control of Armed Forces and the United Kingdom Service Complaints Ombudsman for the Armed Forces in London, was in 2017, not 2018 as reported on page 59 of the 2017–18 annual report.

Appendix 8—Public Interest Disclosures

Table 39—Number of disclosures assessed as meeting the criteria under s26 of the PID Act and alleged disclosable conduct.

Agency	Number of disclosures assessed as meeting the criteria under s26 of the PID Act	Alleged kinds of disclosable conduct to which the disclosures relate ⁴²
Department of Defence	128	Maladministration (55) Contravention of a law of the Commonwealth, state or territory (48) Conduct that may result in disciplinary action (47) Wastage of Commonwealth resources (including money and property) (14) Abuse of public office (14) Conduct that results in, or that increases, the risk of danger to the health or safety of one or more persons (13) Conduct engaged in for the purposes of corruption (1) Conduct in a foreign country that contravenes a law (1)
Australian Postal Corporation	49	Contravention of a law of the Commonwealth, state or territory (25) Conduct that may result in disciplinary action (12) Conduct that results in, or that increases, the risk of danger to the health or safety of one or more persons (7)
Office of the Commonwealth Ombudsman	46 ⁴³	Maladministration (36) Contravention of a law of the Commonwealth, state or territory (35) Conduct that may result in disciplinary action (31) Conduct that results in, or that increases, the risk of danger to the health or safety of one or more persons (12) Wastage of Commonwealth resources (including money and property) (12) Abuse of public office (6) Abuse of public trust (4) Conduct engaged in for the purposes of corruption (4) Conduct in a foreign country that contravenes a law (1)

42 The total number of disclosable conduct allegations may exceed the number of disclosures assessed. This is because a single PID may involve multiple allegations of disclosable conduct.

43 The Office of the Commonwealth Ombudsman received 46 PIDs relating to other agencies and one PID relating to our Office, see item 40.

Agency	Number of disclosures assessed as meeting the criteria under s26 of the PID Act	Alleged kinds of disclosable conduct to which the disclosures relate⁴²
Australian Taxation Office	35	Conduct that may result in disciplinary action (33) Abuse of public office (7) Contravention of a law of the Commonwealth, state or territory (5) Maladministration (5) Abuse of public trust (2) Wastage of Commonwealth resources (including money and property) (1)
Department of Human Services	19	Conduct that may result in disciplinary action (15) Maladministration (9) Conduct that results in, or that increases, the risk of danger to the health or safety of one or more persons (9) Abuse of public office (5) Wastage of Commonwealth resources (including money and property) (4) Conduct engaged in for the purposes of corruption (1)
Airservices Australia	17	Conduct that may result in disciplinary action (16) Conduct that results in, or that increases, the risk of danger to the health or safety of one or more persons (2) Contravention of a law of the Commonwealth, state or territory (2)
Department of Veterans' Affairs	12	Conduct that may result in disciplinary action (10) Maladministration (3) Wastage of Commonwealth resources (including money and property) (2) Abuse of public trust (2) Conduct engaged in for the purposes of corruption (1)
Defence Housing Australia	11	Conduct that may result in disciplinary action (5) Abuse of public office (4) Maladministration (3) Wastage of Commonwealth resources (including money and property) (1)
National Offshore Petroleum Safety & Environment Management Authority	9	Conduct that may result in disciplinary action (9)
Department of Agriculture	8	Conduct that may result in disciplinary action (7) Maladministration (1) Conduct that results in, or that increases, the risk of danger to the health or safety of one or more persons (1)

Agency	Number of disclosures assessed as meeting the criteria under s26 of the PID Act	Alleged kinds of disclosable conduct to which the disclosures relate ⁴²
NBN Co Limited	7	Conduct that may result in disciplinary action (4) Wastage of Commonwealth resources (including money and property) (4) Maladministration (2) Contravention of a law of the Commonwealth, state or territory (2) Conduct that results in, or that increases, the risk of danger to the health or safety of one or more persons (1)
Australian Financial Security Authority	6	Contravention of a law of the Commonwealth, state or territory (4) Conduct that may result in disciplinary action (4) Maladministration (3) Abuse of public office (1)
Comcare	6	Maladministration (5) Contravention of a law of the Commonwealth, state or territory (4) Conduct that results in, or that increases, the risk of danger to the health or safety of one or more persons (4) Abuse of public trust (2) Abuse of public office (2) Perversion of the course of justice (2) Conduct engaged in for the purpose of corruption (2)
Department of Home Affairs	6	Contravention of a law of the Commonwealth, state or territory (2) Conduct that results in, or that increases, the risk of danger to the health or safety of one or more persons (2) Maladministration (1) Wastage of Commonwealth resources (including money and property) (1)
Australian Rail Track Corporation Ltd	5	Conduct engaged in for the purpose of corruption (3) Perversion of the course of justice (2)
Bureau of Meteorology	5	Contravention of a law of the Commonwealth, state or territory (4) Conduct that may result in disciplinary action (4) Maladministration (2)

Agency	Number of disclosures assessed as meeting the criteria under s26 of the PID Act	Alleged kinds of disclosable conduct to which the disclosures relate ⁴²
Department of Industry Innovation and Science (including IP Australia & Geoscience Australia)	5	Conduct that may result in disciplinary action (4) Maladministration (4) Contravention of a law of the Commonwealth, state or territory (3) Abuse of public office (3) Conduct that results in, or that increases, the risk of danger to the health or safety of one or more persons (2) Abuse of public trust (1) Wastage of Commonwealth resources (including money and property) (1)
Department of the Environment and Energy	5	Conduct that may result in disciplinary action (4) Maladministration (2) Wastage of Commonwealth resources (including money and property) (2)
Inspector-General of Intelligence and Security (IGIS)	5 ⁴⁴	Maladministration (5)
Aboriginal Hostels Limited Administrative Appeals Tribunal Aged Care Quality & Safety Commission ASC Pty Ltd Attorney-General's Department Australian Broadcasting Commission Australian Bureau of Statistics Australian Commission for Law Enforcement Integrity Australian Competition and Consumer Commission Australian Criminal Intelligence Commission Australian Electoral Commission Australian Federal Police Australian Film, Television and Radio School Australian Intelligence Agencies* Australian National Audit Office Australian Public Service Commission Australian Securities & Investments Commission Civil Aviation Safety Authority Clean Energy Finance Corporation	73 (aggregated total of all PIDs received by these agencies). This section aggregates data for agencies reporting four or fewer PIDs received during the reporting period.	Conduct that may result in disciplinary action Contravention of a law of the Commonwealth, state or territory Maladministration Conduct that results in, or that increases, the risk of danger to the health or safety of one or more persons Wastage of Commonwealth resources (including money and property) Conduct engaged in for the purpose of corruption Abuse of public office Abuse of public trust Perversion of the course of justice Conduct in a foreign country that contravenes a law Endangers the environment Fabrication scientific research

44 The IGIS received 5 PIDs relating to Australian Intelligence agencies, and none relating to the IGIS.

Agency	Number of disclosures assessed as meeting the criteria under s26 of the PID Act	Alleged kinds of disclosable conduct to which the disclosures relate ⁴²
Clean Energy Regulator		
Commonwealth Ombudsman		
Department of Education		
Department of Employment, Skills, Small & Family Business		
Department of Finance		
Department of Foreign Affairs & Trade		
Department of Health		
Department of Infrastructure, Transport, Cities and Regional Development		
Department of Parliamentary Services		
Department of the Prime Minister and Cabinet		
Department of the Treasury		
Fair Work Commission		
Indigenous Business Australia		
Indigenous Land & Sea Corporation		
National Disability Insurance Scheme		
Launch Transition Agency		
National Museum of Australia		
Office of the Australian Information Commissioner		
Reserve Bank of Australia		
Sydney Harbour Federation Trust		
Australian National University		
Department of Social Services		
Digital Transformation Agency		
Torres Strait Regional Authority		

Table 40—Agencies that have reported not receiving PIDs

1.	AAF Company
2.	Anindilyakwa Land Council
3.	Army and Air Force Canteen Service
4.	Asbestos Safety and Eradication Agency
5.	Australia Council for the Arts
6.	Australian Accounting Standards Board and Auditing and Assurance Standards Board
7.	Australian Building and Construction Commission
8.	Australian Centre for International Agricultural Research
9.	Australian Commission on Safety and Quality in Health Care
10.	Australian Communications and Media Authority
11.	Australian Curriculum, Assessment and Reporting Authority
12.	Australian Digital Health Agency
13.	Australian Fisheries Management Authority
14.	Australian Hearing Services (trading as Hearing Australia)
15.	Australian Human Rights Commission
16.	Australian Institute for Teaching and School Leadership
17.	Australian Institute of Aboriginal and Torres Strait Islander Studies
18.	Australian Institute of Criminology
19.	Australian Institute of Family Studies
20.	Australian Institute of Health and Welfare (AIHW)
21.	Australian Institute of Marine Science
22.	Australian Law Reform Commission
23.	Australian Maritime Safety Authority
24.	Australian Military Forces Relief Trust Fund
25.	Australian Naval Infrastructure Pty Ltd
26.	Australian Nuclear Science and Technology Organisation
27.	Australian Organ and Tissue Donation and Transplantation Authority
28.	Australian Pesticides and Veterinary Medicines Authority
29.	Australian Prudential Regulation Authority
30.	Australian Radiation Protection and Nuclear Safety Agency
31.	Australian Reinsurance Pool Corporation (ARPC)

-
32. Australian Research Council

 33. Australian Skills Quality Authority

 34. Australian Sports Anti-Doping Authority (ASADA)

 35. Australian Sports Commission

 36. Australian Strategic Policy Institute

 37. Australian Trade and Investment Commission

 38. Australian Transaction Reports and Analysis Centre

 39. Australian Transport Safety Bureau

 40. Australian War Memorial

 41. Bundanon Trust

 42. Cancer Australia

 43. Central Land Council

 44. Climate Change Authority

 45. Coal Mining Industry (Long Service Leave Funding) Corporation

 46. Commonwealth Scientific and Industrial Research Organisation

 47. Commonwealth Superannuation Corporation

 48. Cotton Research and Development Corporation

 49. Creative Partnerships Australia

 50. Department of Communication and the Arts

 51. Department of the House of Representatives

 52. Department of the Senate

 53. Export Finance Australia

 54. Federal Court of Australia

 55. Fisheries Research and Development Corporation

 56. Food Standards Australia New Zealand

 57. Future Fund Management Agency

 58. Grains Research and Development Corporation

 59. Great Barrier Reef Marine Park Authority

 60. High Court of Australia

 61. Independent Hospital Pricing Authority

 62. Independent Parliamentary Expenses Authority

 63. Infrastructure and Project Financing Agency
-

-
64. Infrastructure Australia

 65. Inspector-General of Taxation and Taxation Ombudsman

 66. Murray-Darling Basin Authority

 67. Museum of Australian Democracy at Old Parliament House

 68. National Archives of Australia

 69. National Australia Day Council

 70. National Blood Authority

 71. National Capital Authority

 72. National Competition Council

 73. National Film and Sound Archive of Australia

 74. National Gallery of Australia

 75. National Health and Medical Research Council

 76. National Health Funding Body

 77. National Library of Australia

 78. National Mental Health Commission

 79. National Portrait Gallery of Australia

 80. National Transport Commission

 81. NDIS Quality and Safeguards Commission

 82. Northern Australia Infrastructure Facility

 83. Northern Land Council

 84. Office of Parliamentary Counsel

 85. Office of the Commonwealth Director of Public Prosecutions

 86. Office of the Fair Work Ombudsman

 87. Office of the Official Secretary to the Governor-General

 88. Outback Stores

 89. Parliamentary Budget Office

 90. Productivity Commission

 91. Professional Services Review

 92. RAAF Welfare Recreational Company

 93. Regional Investment Corporation

 94. Royal Australian Air Force Welfare Trust Fund

 95. Royal Australian Navy Central Canteen Board

96.	Royal Australian Navy Relief Trust Fund (RANRTF)
97.	Rural Industries Research & Development Corporation
98.	Safe Work Australia
99.	Screen Australia
100.	Special Broadcasting Service Corporation
101.	Tertiary Education Quality and Standards Agency
102.	The Australian National Maritime Museum
103.	The Australian Sports Foundation Ltd
104.	Tiwi Land Council
105.	Tourism Australia
106.	Wine Australia
107.	Workplace Gender Equality Agency
108.	Wreck Bay Aboriginal Community Council (WBACC)
109.	WSA Co Limited

Table 41—PID investigations completed and action/s taken in response to recommendations

Agency	Number of disclosure investigations completed during the financial year	Findings of disclosable conduct relating to disclosure investigations	Examples of actions taken during the financial year in response to recommendations relating to disclosure investigations
Department of Defence	92	<p>Contravention of a law of the Commonwealth, state or territory (12)</p> <p>Maladministration (9)</p> <p>Conduct that may result in disciplinary action (7)</p> <p>Wastage of Commonwealth resources (including money and property) (4)</p> <p>Abuse of public office (4)</p> <p>Conduct that results in, or that increases, the risk of danger to the health or safety of one or more persons (1)</p> <p>Conduct in a foreign country that contravenes a law (1)</p>	<p>Investigation under another law</p> <p>Code of conduct investigation</p> <p>Staff counselled or formally warned</p> <p>Staff training in leadership, communication and internal policies and procedures</p> <p>Improvements to internal practices including communication and reporting arrangements</p>
Australian Postal Corporation	49	<p>Contravention of a law of the Commonwealth, state or territory (9)</p> <p>Conduct that results in, or that increases, the risk of danger to the health or safety of one or more persons (4)</p> <p>Conduct that may result in disciplinary action (2)</p> <p>Maladministration (1)</p>	<p>Disciplinary action</p> <p>Staff training on Ethics, Bullying & Harassment and Discrimination</p>
Australian Taxation Office	35	<p>Conduct that may result in disciplinary action (5)</p> <p>Contravention of a law of the Commonwealth, state or territory (2)</p> <p>Abuse of public office (1)</p>	<p>Code of conduct investigation and sanctions</p> <p>Internal process and policy improvements</p>
Department of Veterans' Affairs	15	<p>Conduct that may result in disciplinary action (7)</p> <p>Contravention of a law of the Commonwealth, state or territory (3)</p>	<p>Code of conduct investigation</p>

Agency	Number of disclosure investigations completed during the financial year	Findings of disclosable conduct relating to disclosure investigations	Examples of actions taken during the financial year in response to recommendations relating to disclosure investigations
Airservices Australia	11	Conduct that may result in disciplinary action (6)	Staff training and reminders regarding standards of behaviour Sanctions imposed under Airservices Code of conduct
National Offshore Petroleum Safety & Environment Management Authority	8	Conduct that may result in disciplinary action (8)	Code of conduct investigation
Department of Agriculture	7	No findings of disclosable conduct	Review of performance management practices Audit of Workplace Health and Safety arrangements Departmental wide communications to reinforce commitment to integrity
Aboriginal Hostels Limited Administrative Appeals Tribunal ASC Pty Ltd Attorney-General's Department Australian Commission for Law Enforcement Integrity Australian Electoral Commission Australian Federal Police Australian Film, Television and Radio School Australian Financial Security Authority Australian Intelligence Agencies – Combined Response Australian Public Service Commission Australian Rail Track Corporation Ltd Australian Securities & Investments Commission Bureau of Meteorology Civil Aviation Safety Authority Defence Housing Australia Department of Education	72 investigations were completed by the agencies in this section. This section aggregates data for agencies reporting four or fewer investigations being conducted during the period.		Note: Although all agencies within this group identified they had completed one or more investigations, not all investigations resulted in recommendation/s being made. The following are examples of some of the recommendations made by Agencies within this aggregated group. Code of conduct investigation Review of HR policies and procedures regarding complaints and alternative reporting procedures Inclusion of formal risk assessments as part of any major change project Staff counselling regarding agency practices and procedures Standardised training materials regarding procurement

Agency	Number of disclosure investigations completed during the financial year	Findings of disclosable conduct relating to disclosure investigations	Examples of actions taken during the financial year in response to recommendations relating to disclosure investigations
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Department of Foreign Affairs & Trade
 Department of Health
 Department of Home Affairs
 Department of Human Services
 Department of Infrastructure, Transport, Cities and Regional Development
 Department of Parliamentary Services
 Department of the Environment and Energy
 Department of the Treasury
 Indigenous Business Australia
 National Disability Insurance Scheme Launch Transition Agency
 NBN CO Limited
 Office of the Commonwealth Director of Public Prosecutions
 The Australian National Maritime Museum
 Australian National University
 Department of Social Services
 Digital Transformation Agency
 Torres Strait Regional Authority



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REFERENCES

Part 8—References

Glossary

Term	Definition
Action Taken	<p>What we did to resolve or otherwise respond to a contact to our Office. Different types of contact may have different available actions, which can include:</p> <ul style="list-style-type: none"> – conducting a formal investigation <ul style="list-style-type: none"> – resulting in a report – resulting in comments to the agency – finalised without comments or suggestions to the agency – conducting an assessment of a matter <ul style="list-style-type: none"> – resulting in a decision (such as on an FOI review application) – resulting in a recommendation to the agency (such as for a reparation payment relating to abuse in Defence) – assessing a complaint and finalising without a formal investigation, with or without making preliminary inquiries of an agency – referral back to the agency or organisation about whom the complaint is made – referral to another agency or complaint-handling body – in relation to program specific matters—carrying out the relevant statutory process – in relation to enquiries <ul style="list-style-type: none"> – providing the information sought – otherwise responding to the request.
Contact	Any external contact to our Office. Contacts are made up of complaints, program specific matters and any other enquiries.
Authorised officer	An officer appointed by the Principal Officer of an agency to receive and allocate public interest disclosures.
Community detention	A form of immigration detention that enables people in detention to reside and move about freely in the community without having to be accompanied or restrained by an officer under the Migration Act 1958.

Compensation for Detriment caused by Defective Administration (CDDA)	A scheme that allows Australian Government agencies under the Public Governance, Performance and Accountability Act 2013 to provide discretionary compensation to people who have been adversely affected through an agency's defective actions or inaction.
Complaint	<p>Contact with our Office indicating that something is unsatisfactory or unacceptable, in relation to an action by an agency or organisation within our jurisdiction. This includes:</p> <ul style="list-style-type: none"> – complaints about a Commonwealth Government agency, including the Australian Defence Force and the Australian Federal Police – complaints, including disputes, about public or private sector bodies, received under any of the following jurisdictions: Postal Industry Ombudsman, Overseas Students Ombudsman, VET Student Loans Ombudsman and Private Health Insurance Ombudsman) – complaints about ACT Government agencies (under the ACT Ombudsman jurisdiction, and including ACT FOI complaints, ACT PID complaints and complaints about the ACT Integrity Commission) – complaints made about an agency or organisation within our jurisdiction, but where the issue raised is out of our jurisdiction (e.g. an immigration decision which was made by the Minister personally). We are unable to consider this situation further, but it is still counted as a complaint to our Office.
Controlled operation	A covert operation carried out by law enforcement officers under the Crimes Act 1914 (Cth) for the purpose of obtaining evidence that may lead to a prosecution of a person for a serious offence. The operation may involve law enforcement officers engaging in conduct that would otherwise constitute an offence.
Enquiry	<p>Any contact with our Office that is not a complaint or program specific matter. This can include:</p> <ul style="list-style-type: none"> – a request to the Office (e.g. a request from a journalist, a request under the FOI Act for documents we hold, a Public Interest Disclosure about us, or a service delivery complaint made about our own services) – a purported complaint about an agency or organisation which is determined to be out of our jurisdiction on the basis of the organisation being complained about (e.g. telecommunications, banking, State government) – other enquiries (e.g. how do I make a complaint about Agency X; an enquiry about private health insurance; PID enquiries; enquiries made to the ACT Ombudsman regarding FOI/Reportable Conduct, complaint handling advice for providers).

Finalised	A contact is finalised when we have finished taking action in response to that contact.
Metadata	Information about a communication which does not include its content. In the example of a phone call, metadata may include the phone numbers of the two parties to the conversation, the duration, date and time of that phone call but not what was said.
Natural justice	In administrative decision-making, natural justice means procedural fairness. This includes the right to a fair hearing, that decisions are made without undue bias, providing a person to present a case addressing any adverse matters and providing reasons for decisions.
Outcome	<p>The end result of a contact to our Office. These can vary depending on the type of contact, and can include:</p> <ul style="list-style-type: none"> – rectifying the situation for a person (such as restoring a payment; waiving a debt; a different decision; a better explanation from the agency; an apology) – assistance or advice for a person (such as referral to a more appropriate avenue; a better explanation by us on review rights; advice on how to make a complaint; an agency considering a matter in a more timely manner) – outcomes which reflect our role as independent and impartial (such as independent assurance that the agency’s decision was lawful and reasonable) – outcomes for the broader community (such as changes to an agency’s policies or practices)
Out of jurisdiction (OOJ)	A matter about which the Office has no legal power under the Ombudsman Act 1976 to investigate.
Own motion investigation	An investigation conducted on the Ombudsman’s own initiative.
Program specific matter	<p>An application, report or other statutory process, which requires processing by our Office, but is not a complaint. This includes:</p> <ul style="list-style-type: none"> – applications under the ACT FOI Act (review requests, extensions of time, etc) – reports of Defence abuse – PHIO mediations – FOI mediations – notifications under the ACT Reportable Conduct scheme – PIDs, extension requests and notifications.

Public interest disclosure (PID)	Unless otherwise stated, this relates to an internal disclosure of wrongdoing, which has been reported by a public official to an authorised internal recipient.
Review rights	People who disagree with a decision made about them or who believe they have been treated unfairly by a government agency may appeal against the decision or ask for it to be reviewed by the agency. If the person is not satisfied with this process he or she may complain to the Ombudsman (provided the complaint is within our jurisdiction), noting the Ombudsman does not have the power to change or remake a decision.
Serious abuse	'Serious abuse' (within Defence) is defined as sexual abuse, serious physical abuse and serious bullying and harassment. All reports of abuse are assessed to determine whether the reported abuse meets this definition.
Stored communications	This typically refers to emails and text (SMS) messages, but may also include images or videos, that have been electronically stored by a telecommunications carrier or internet service provider. For instance, an SMS message is stored by a carrier and sent when the intended recipient is able to receive it. Stored communications access occurs under warrant for the purposes of obtaining information relevant to the investigation of an offence.
Surveillance devices	These are typically listening devices, cameras and tracking devices. The use of these devices will, in most circumstances, require the issue of a warrant.
Telecommunications interceptions	The recording of telephone conversations or other transmissions passing over a telecommunications network. Interceptions occur under warrant for the purposes of obtaining information relevant to a criminal investigation.
The Office	The Office of the Commonwealth Ombudsman.
The Ombudsman	The person occupying the statutory position of Commonwealth Ombudsman.
Waiting period	How long a person needs to be covered under a private health insurance policy before he or she is eligible for benefits. The maximum waiting periods for hospital policies are set down in the Private Health Insurance Act 2007 (Cth).
Within jurisdiction	A contact about a matter that the Office may investigate under the Ombudsman Act 1976.

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List of requirements

PGPA Rule Reference	Part of Report	Description	Requirement	Pg no.
17AD(g)	Letter of transmittal			
17AI		A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	5
17AD(h)	Aids to access			
17AJ(a)		Table of contents.	Mandatory	8-9
17AJ(b)	Section 8	Alphabetical index.	Mandatory	208-XXX
17AJ(c)	Section 8	Glossary of abbreviations and acronyms.	Mandatory	192-195
17AJ(d)	Section 8	List of requirements.	Mandatory	199-207
17AJ(e)		Details of contact officer.	Mandatory	7
17AJ(f)		Entity's website address.	Mandatory	7
17AJ(g)		Electronic address of report.	Mandatory	7
17AD(a)	Review by accountable authority			
17AD(a)	Section 1	A review by the accountable authority of the entity.	Mandatory	12-15
17AD(b)	Overview of the entity			
17AE(1)(a)(i)	Section 2	A description of the role and functions of the entity.	Mandatory	18-19
17AE(1)(a)(ii)	Section 2	A description of the organisational structure of the entity.	Mandatory	20
17AE(1)(a)(iii)	Section 2	A description of the outcomes and programmes administered by the entity.	Mandatory	29
17AE(1)(a)(iv)	Section 2	A description of the purposes of the entity as included in corporate plan.	Mandatory	29

PGPA Rule Reference	Part of Report	Description	Requirement	Pg no.
17AE(1)(aa)(i)	Section 2	Name of the accountable authority or each member of the accountable authority	Mandatory	19
17AE(1)(aa)(ii)	Section 2	Position title of the accountable authority or each member of the accountable authority	Mandatory	19
17AE(1)(aa)(iii)	Section 2	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	19
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments mandatory	N/A
17AE(2)		Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory	Nil to report
17AD(c)	Report on the Performance of the entity			
	Annual performance Statements			
17AD(c)(i); 16F	Section 2	Annual performance statement in accordance with paragraph 39(1) (b) of the Act and section 16F of the Rule.	Mandatory	28-45
17AD(c)(ii)	Report on Financial Performance			
17AF(1)(a)	Section 3	A discussion and analysis of the entity's financial performance.	Mandatory	46
17AF(1)(b)	Section 7	A table summarising the total resources and total payments of the entity.	Mandatory	174-175

PGPA Rule Reference	Part of Report	Description	Requirement	Pg no.
17AF(2)		If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	Nil to report
17AD(d)	Management and Accountability			
<i>Corporate Governance</i>				
17AG(2)(a)	Section 6	Information on compliance with section 10 (fraud systems)	Mandatory	127
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	5
17AG(2)(b)(ii)		A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	5
17AG(2)(b)(iii)		A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	5
17AG(2)(c)	Section 6	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	124-127

PGPA Rule Reference	Part of Report	Description	Requirement	Pg no.
17AG(2)(d) – (e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, Mandatory	Nil to report
<i>External Scrutiny</i>				
17AG(3)	Section 6	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	127
17AG(3)(a)	Section 6	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	127
17AG(3)(b)		Information on any reports on operations of the entity by the AuditorGeneral (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	N/A
17AG(3)(c)		Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	Nil to report
<i>Management of Human Resources</i>				
17AG(4)(a)	Section 6	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	127-128
17AG(4)(aa)	Section 7	Statistics on the entity's employees on an ongoing and nonongoing basis, including the following: (a) statistics on fulltime employees; (b) statistics on parttime employees; (c) statistics on gender (d) statistics on staff location	Mandatory	165-169

PGPA Rule Reference	Part of Report	Description	Requirement	Pg no.
17AG(4)(b)	Section 7	<p>Statistics on the entity's APS employees on an ongoing and nonongoing basis; including the following:</p> <ul style="list-style-type: none"> – Statistics on staffing classification level; – Statistics on fulltime employees; – Statistics on parttime employees; – Statistics on gender; – Statistics on staff location; – Statistics on employees who identify as Indigenous. 	Mandatory	167-173
17AG(4)(c)	Sections 6, 7	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the Public Service Act 1999.	Mandatory	129, 172
17AG(4)(c)(i)	Section 6	Information on the number of SES and nonSES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	129
17AG(4)(c)(ii)	Section 7	The salary ranges available for APS employees by classification level.	Mandatory	173
17AG(4)(c)(iii)	Section 6	A description of nonsalary benefits provided to employees.	Mandatory	129
17AG(4)(d)(i)		Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	Nil to report
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	Nil to report
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	Nil to report

PGPA Rule Reference	Part of Report	Description	Requirement	Pg no.
17AG(4)(d)(iv)		Information on aggregate amount of performance payments.	If applicable, Mandatory	Nil to report
<i>Assets Management</i>				
17AG(5)	Section 6	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	133
<i>Purchasing</i>				
17AG(6)	Section 6	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory	132
<i>Consultants</i>				
17AG(7)(a)		A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	Nil to report
17AG(7)(b)		A statement that "During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]".	Mandatory	Nil to report

PGPA Rule Reference	Part of Report	Description	Requirement	Pg no.
17AG(7)(c)	Section 6	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	132
17AG(7)(d)	Section 6	A statement that "Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."	Mandatory	132

Australian National Audit Office Access Clauses

17AG(8)		If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the AuditorGeneral with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	N/A
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Exempt contracts

17AG(9)		If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	N/A
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PGPA Rule Reference	Part of Report	Description	Requirement	Pg no.
<i>Small business</i>				
17AG(10)(a)	Section 6	A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory	132
17AG(10)(b)	Section 6	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	132
17AG(10)(c)		If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, Mandatory	N/A
<i>Financial Statements</i>				
17AD(e)	Section 7	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	140-161
<i>Executive Remuneration</i>				
17AD(da)	Section 7	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule.	Mandatory	163-164

PGPA Rule Reference	Part of Report	Description	Requirement	Pg no.
17AD(f)	<i>Other Mandatory Information</i>			
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that "During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."	If applicable, Mandatory	N/A
17AH(1)(a)(ii)	Section 6	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	133
17AH(1)(b)		A statement that "Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."	If applicable, Mandatory	N/A
17AH(1)(c)	Section 6	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	134
17AH(1)(d)	Section 7	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	162
17AH(1)(e)	Section 7	Correction of material errors in previous annual report	If applicable, mandatory	176
17AH(2)	Sections 3, 4, 5	Information required by other legislation	Mandatory	110-120 177-188

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