



# Ombudsman

## Tasmania

Annual Report 2013 - 2014

# **OMBUDSMAN TASMANIA**

## **ANNUAL REPORT 2013-14**

Enquiries about this annual report should be directed to:

### **THE OMBUDSMAN**

Ground Floor, 99 Bathurst Street, Hobart, Tasmania 7000

Telephone: 1800 001 170 (Free call)  
Facsimile: 03 6233 8966  
Email: [ombudsman@ombudsman.tas.gov.au](mailto:ombudsman@ombudsman.tas.gov.au)  
Website: [www.ombudsman.tas.gov.au](http://www.ombudsman.tas.gov.au)

ISSN 1441-4295

## LETTER TO PARLIAMENT

To:

**The Honourable President of the Legislative Council**

and

**The Speaker of the House of Assembly**

Pursuant to section 30 of the *Ombudsman Act 1978*, I present to the Parliament the annual report of the Ombudsman for 2013-2014.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Connock', with a small checkmark to its left.

**Richard Connock**  
**OMBUDSMAN**

18 November 2014

### **ABOUT THIS REPORT**

This report describes the functions and operations of the Ombudsman Tasmania for the year ending 30 June 2014.

It is available in print or electronic viewing format to optimise accessibility and ease of navigation. It can also be made available in alternative formats to meet the needs of people with a disability. Requests should be directed to the Executive Officer at 1800 001 170 or [Ombudsman@ombudsman.tas.gov.au](mailto:Ombudsman@ombudsman.tas.gov.au).

# TABLE OF CONTENTS

<b>LETTER TO PARLIAMENT .....</b>	<b>2</b>
<b>ABOUT THIS REPORT .....</b>	<b>2</b>
<b>FROM THE OMBUDSMAN .....</b>	<b>5</b>
<b>STAFFING .....</b>	<b>5</b>
<b>EFFICIENCIES .....</b>	<b>6</b>
<b>RESOURCES .....</b>	<b>6</b>
<b>MAJOR INVESTIGATIONS.....</b>	<b>7</b>
<b>OTHER MATTERS .....</b>	<b>7</b>
<b>THE ROLE OF THE OMBUDSMAN .....</b>	<b>8</b>
<b>OMBUDSMAN ACT 1978 .....</b>	<b>11</b>
<i>Review of Complaints.....</i>	<i>11</i>
<i>General Agency.....</i>	<i>12</i>
<i>The Department of Justice.....</i>	<i>12</i>
<i>The Department of Health and Human Services .....</i>	<i>13</i>
<i>The Department of Police and Emergency Management.....</i>	<i>15</i>
<i>Local Government.....</i>	<i>15</i>
<i>Public Authorities, Government Business Enterprises and Other Authorities.....</i>	<i>16</i>
<i>Water and sewerage.....</i>	<i>16</i>
<i>Case Studies .....</i>	<i>17</i>
<b>RIGHT TO INFORMATION ACT 2009 .....</b>	<b>22</b>
<i>Publications .....</i>	<i>22</i>
<i>Statistics and Performance .....</i>	<i>22</i>
<i>Education and Training.....</i>	<i>24</i>
<i>Areas for Improvement.....</i>	<i>25</i>
<i>Association of Information Access Commissioners.....</i>	<i>26</i>
<b>PUBLIC INTEREST DISCLOSURES ACT 2002 .....</b>	<b>27</b>
<i>Introduction.....</i>	<i>27</i>
<i>Guidelines.....</i>	<i>27</i>
<i>The Year in Review.....</i>	<i>28</i>
<b>PERSONAL INFORMATION PROTECTION .....</b>	<b>30</b>

<b>INSPECTIONS UNDER POLICE LEGISLATION.....</b>	<b>32</b>
<b>ENERGY OMBUDSMAN ACT 1998 .....</b>	<b>34</b>
<i>Introduction.....</i>	<i>34</i>
<i>Electricity Market Changes.....</i>	<i>34</i>
<i>Statistics.....</i>	<i>34</i>
<i>Complaint Trends.....</i>	<i>35</i>
<i>Other Matters.....</i>	<i>36</i>
<b>HEALTH COMPLAINTS ACT 1995 .....</b>	<b>38</b>
<i>Statistics.....</i>	<i>38</i>
<i>Communications and Complaint Handling.....</i>	<i>39</i>
<i>Complaints Management.....</i>	<i>39</i>
<i>Investigation.....</i>	<i>40</i>
<i>Conciliation.....</i>	<i>40</i>
<i>Australian Health Practitioner Regulation Agency .....</i>	<i>41</i>
<b>OFFICIAL VISITORS.....</b>	<b>42</b>
<i>Overview.....</i>	<i>42</i>
<i>Prison Official Visitors.....</i>	<i>42</i>
<i>Mental Health Official Visitors.....</i>	<i>43</i>
<b>APPENDIX A: STATISTICS - OMBUDSMAN ACT .....</b>	<b>44</b>
<b>APPENDIX B: STATISTICS - FREEDOM OF INFORMATION ACT AND RIGHT TO INFORMATION ACT .....</b>	<b>59</b>
<b>APPENDIX C: STATISTICS – ENERGY OMBUDSMAN ACT .....</b>	<b>62</b>
<b>APPENDIX D: CONTRACTS AND CONSULTANCIES AWARDED .....</b>	<b>68</b>
<b>APPENDIX E: ORGANISATION CHART .....</b>	<b>69</b>
<b>APPENDIX F: FINANCIAL STATEMENTS 2013-14 .....</b>	<b>70</b>
<b>APPENDIX G: INDEPENDENT AUDITORS REPORT .....</b>	<b>100</b>

## **FROM THE OMBUDSMAN**

I was appointed Ombudsman on 14 July 2014, having acted in the role since January 2014 when the former Ombudsman, Leon Atkinson-MacEwen, resigned to take up the position of the inaugural Queensland Health Ombudsman. I take this opportunity to thank Mr Atkinson-MacEwen for his service to the Tasmanian Community culminating in his filling the role of Ombudsman and Health Complaints Commissioner between 2012 and 2014.

The Office of the Tasmanian Ombudsman performs more functions than most of its counterparts in other jurisdictions. As well as being the State's Parliamentary Ombudsman, the Ombudsman is also the Health Complaints Commissioner, Energy Ombudsman, de facto Information Commissioner, Principal Mental Health Official Visitor and Coordinator of the Prison Official Visitor Scheme. The Ombudsman is the inspection entity under the *Police Powers (Controlled Operations Act) 2006*, the *Police Powers (Surveillance Devices) Act 2006* and the *Telecommunications (Interception) Tasmania Act 1999*. The Ombudsman is also an ex officio member of the Board of the Integrity Commission.

As in previous years, this report is intended to give a full picture of the Office and its work and contains a chapter relating to each of the major jurisdictions. A separate more detailed report of the work of the Health Complaints Commissioner has also been produced pursuant to the *Health Complaints Act 1995*, and is available at [www.healthcomplaints.tas.gov.au](http://www.healthcomplaints.tas.gov.au)

I am not required to formally table a separate report concerning the functions of the Energy Ombudsman.

## **STAFFING**

The office has undergone major changes to its staffing arrangements since budget cuts that commenced in the 2011-12 year, and which have continued. These changes have included:

- the termination of a full time Senior Investigation Officer position consequent upon the closure of our Launceston office in 2011;
- the termination of a 0.4 FTE Senior Investigation Officer position in 2012;
- the replacement of a Band 6 Senior Investigation Officer position with a Band 5 Investigation Officer position in 2012; and

- a full time Right to Information Review Officer position not being filled since vacated in 2013.

It is anticipated that further reductions in Investigation Officer FTEs will be required in future years.

## **EFFICIENCIES**

I have continued, and will continue, to implement the efficiencies that have been adopted over the last several years occasioned by budgetary constraints and uncertainty. These include:

- adopting a less formal approach to the handling of more straightforward and less complex complaints, by using more direct communications with parties such as meetings, email and telephone rather than the more traditional exchange of correspondence;
- declining to deal with insubstantial or inconsequential complaints;
- consulting closely with agencies so that systemic issues are identified and addressed in a timely fashion;
- regularly meeting with agency representatives, such as management of the Tasmania Prison Service, Aurora Energy and TasWater, to discuss issues and process;
- significant reductions across non-salary expenditure areas including; maintenance; security; staff amenities; stationary; printing and travel expenditure; and
- cessation of outreach activities and workshops.

As funding and staffing levels continue to reduce, new and better ways will need to be found to ensure that the service we provide is not only efficient, but fair and reasonable, and that we are achieving appropriate outcomes. This, however, will become increasingly difficult.

## **RESOURCES**

Despite the pressures:

- 89% of cases in the Ombudsman jurisdiction were resolved in under three months, up from 86% last reporting year;
- 90% of Energy cases were resolved in less than three months, up from 88% in the previous year;

- 72% of Health Complaints cases were resolved in less than three months, up from 62%.

At the same time, however, while the number of requests for review under the *Right to Information Act 2009* received increased, the number of reviews finalised decreased slightly. We also carried more cases forward into the reporting year than in previous years.

As my predecessor noted in last year's annual report, there comes a point at which time frames for the resolution of matters will necessarily increase, to an extent as a result of an increasing complexity in the matters that we are dealing with (particularly in RTI) but primarily as a result of reduced staffing levels.

The office budget contains very little by way of discretionary spending, and if budget savings are required to be met, they can only be met by losing staff. As again my predecessor has noted, the savings we have been required to find as a result of the Global Financial Crisis are effectively resulting in the loss of one FTE each year. This alone is not sustainable, and any further savings requirements would impose significant difficulty.

## **MAJOR INVESTIGATIONS**

Once again, resource pressures severely limit our ability to conduct and conclude major investigations. We did, however, complete an investigation in to the wrongful detention of a young person under the *Youth Justice Act 1997* (a summary of the investigation is included in the case summaries later in this report) and another in relation to the holding of client monies by Statewide and Mental Health Services.

There are a number of own motion and complaint based investigations under way in both the Ombudsman and Health Complaints jurisdictions, and I will be able to report more comprehensively on them in the next reporting year.

## **OTHER MATTERS**

In concluding, I would like to thank all members of staff across all jurisdictions, who have maintained a dedicated and committed approach to their work during changing and sometimes difficult times. Each has demonstrated an exemplary level of professionalism, and I believe it is only because of this and the collegiate and mutually supportive environment that has developed around them that they are still able to perform to the level they do, and maintain the high standards that they do, in the prevailing circumstances.



## **THE ROLE OF THE OMBUDSMAN**

The Ombudsman's jurisdiction to investigate the administrative actions of State Government departments, local government bodies, Government Business Enterprises and other public authorities under the *Ombudsman Act 1978* is very broad. Our primary objectives when exercising jurisdiction under that Act are the improvement of public administration and the promotion of good administrative practice.

In addition, the Ombudsman has a wide range of other functions and responsibilities conferred by various other pieces of legislation.

All the services offered by the Office are free, and all of our functions are carried out, and our responsibilities met, fairly and impartially.

### **OMBUDSMAN**

Anybody who is aggrieved by the administrative action of a Tasmanian public authority and who has tried unsuccessfully to resolve their concerns with the authority itself can complain to my Office. If the complaint is within jurisdiction and the circumstances warrant it, it will be investigated. I can also investigate such action, particularly where systemic issues are involved, on my own motion.

At the conclusion of an investigation, whether it be of a complaint or an own motion investigation, a report is prepared for delivery to the authority concerned. Section 28 of the Act provides that if, I have formed the opinion that the action investigated:

- (a) appears to have been taken contrary to law;
- (b) was unreasonable, unjust, oppressive, or improperly discriminatory;
- (c) was in accordance with a rule of law or a provision of an enactment or a practice that is or may be unreasonable, unjust, oppressive, or improperly discriminatory;
- (d) was taken in the exercise of a power or discretion and was so taken for an improper purpose or on irrelevant grounds or on the basis of irrelevant considerations;
- (e) was a decision that was made in the exercise of a power or discretion and the reasons for the decision were not, but should have been, given;
- (f) was based wholly or partly on a mistake of law or fact; or
- (g) was wrong;

I can, amongst other things, make recommendations to address and rectify the subject action.

A report can also be delivered to the relevant Minister and/or Parliament. My office has no coercive power in relation to the adoption of recommendations but is dependent on constructive negotiation and persuasive argument. Our recommendations are ordinarily accepted and acted upon.

### **RIGHT TO INFORMATION REVIEWS**

My Office is the avenue for the external review of decisions made by public authorities on applications for assessed disclosure under the Right to Information Act not to release the information sought. If at the conclusion of a review I am of the view that the authority's decision was incorrect I can make a fresh determination, which the authority is obliged to implement.

### **PUBLIC INTEREST DISCLOSURES**

My Office has a significant role under the *Public Interest Disclosures Act 2002* to receive and investigate public interest (or "whistleblower") disclosures and oversee the manner in which public authorities deal with such disclosures.

### **PERSONAL INFORMATION PROTECTION**

My Office provides an avenue of redress for people who believe that their personal information has been misused by a public authority and for taking complaints alleging other breaches of the *Personal Information Protection Act 2004*.

### **HEALTH COMPLAINTS COMMISSIONER**

The Ombudsman is also the Health Complaints Commissioner under the *Health Complaints Act 1995* and receives complaints relating to the provision of any health service by a health service provider in either the public or the private sector. The Commissioner's functions are outlined in s 6 of the Act and include:

- preparing and regularly reviewing a Charter of Health Rights;
- providing information, education and advice in relation to the Charter, health rights and responsibilities, and the procedures for resolving complaints;
- receiving, assessing and resolving complaints from health service users;
- identifying and reviewing issues arising out of complaints and suggesting ways of improving health services and preserving and increasing health rights; and
- inquiring into and reporting on any matter relating to health services at his or her own discretion or on the direction of the Health Minister.

## **ENERGY OMBUDSMAN**

A person who has a grievance concerning any service of, or relating to the sale and supply of gas or electricity by an energy entity may lodge a complaint with the Ombudsman for investigation and resolution under the *Energy Ombudsman Act 1998*. The office has the power under the Act to make determinations and awards against the entities where appropriate.

## **WATER AND SEWERAGE**

Pursuant to the *Water and Sewerage Industry Act 2009*, a customer of a water and sewerage corporation who has made a complaint to the corporation under its customer complaints process and is not satisfied with the outcome of the complaint may make a complaint about that outcome to the Ombudsman. It is a condition of a corporation's licence that it will be bound by the Ombudsman's determination in relation to the complaint.

As will be discussed in more detail later in this report, the three regional corporations were replaced by TasWater at the beginning of the reporting year, and the broader administrative actions of the corporation come within the general Ombudsman jurisdiction.

## **POLICE COMPLIANCE AUDITS**

My office has the responsibility for ensuring compliance by Tasmania Police with the procedural requirements of the *Telecommunications (Interception) Tasmania Act 1999*, the *Police Powers (Controlled Operations) Act 2006* and the *Police Powers (Surveillance Devices) Act 2008*.

## **OTHER STATUTORY FUNCTIONS**

I am also able to review certain decisions of the Commissioner of Police under the *Witness Protection Act 2000* and decisions about the release of information under the *Adoption Act 1998*.

## **REFERRAL SERVICE**

The office plays an important role in referring members of the public to the body best able to address their concerns when those concerns relate to matters that are out of our jurisdiction. In most cases, we are able to advise a complainant of the body they need to speak to. We regularly refer people to the Integrity Commission, the Commonwealth Ombudsman, the Telecommunications Industry Ombudsman, the Financial Ombudsman Service, the Office of the Anti-Discrimination Commissioner and the Office of Consumer Affairs and Fair Trading.

## **OMBUDSMAN ACT 1978**

### **REVIEW OF COMPLAINTS**

#### **Out of Jurisdiction Enquiries**

It was reported in the last reporting year that the number of out of jurisdiction enquiries had fallen by a third, a significant decrease. It was thought that improvements that had been made to our web sites which made the limits of our jurisdiction clearer might have accounted for this, and I still think that is the case.

This reporting year, however, out of jurisdiction enquiries actually increased by 18%. So while not as high as in 2011-12, they were still not insubstantial. There is no obvious explanation for this increase.

#### **Complaints**

Complaints received during the reporting year decreased by 9%, continuing a trend that commenced in 2013-14 when complaints fell by 12% over the previous 2011-12 year. That year, however, there had been a large spike in the number of water and sewerage complaints received, which has not been repeated.

There was also a large increase in the number of out of jurisdiction complaints received, again without any obvious explanation. The increase might be partially explained by the ease with which complaints can now be electronically lodged. Despite enhancements to our web sites made last year designed to direct complainants to the appropriate organisation, a large number of on line complaints continue to be out of jurisdiction.

The in jurisdiction complaints received were divided between the following levels of government:

- General Agency (Government Departments) 58%
- Public Authorities and Government Business Enterprises 31%
- Local Government 11%

Of the complaints closed in the reporting year, 51% were declined or discontinued, in 39% of cases a finding was made that there had been no defective administration and in only 10% of cases was the complaint partly or fully substantiated.

## **GENERAL AGENCY**

As has historically been the case, most complaints related to government departments, and again in keeping with history, the Department of Justice and the Department of Health and Human Services accounted for most of those complaints, with 54% and 15% of all general agency complaints respectively. In the case of both departments, however, complaints had decreased compared to the previous reporting year – each by 17%.

There was also a drop in the number of complaints made against the Department of Police and Emergency Management, in its case by 20%.

The departments least complained about were the Departments of Economic Development, Tourism and the Arts (as it then was), Premier and Cabinet and Treasury and Finance.

## **THE DEPARTMENT OF JUSTICE**

Once again, more complaints were received about the Department of Justice than any other department. This is due to the fact that Tasmania Prison Service (TPS) is part of the Department and we receive a large number of complaints and inquiries from prisoners and remandees. In the reporting year these accounted for 87% of complaints against the Department.

The number of complaints from prisoners has decreased slightly, however, from 200 in 2012-13 to 166 in 2013-14. I believe this reflects changes that TPS management has been implementing to the way that prisoner complaints are dealt with at first instance. It would appear, anecdotally at least, that these changes are resulting in more complaints being resolved internally and concomitantly fewer being referred to the Ombudsman's Office.

There are a number of issues of complaint that recur on a regular basis every reporting year, and this year included:

- classification and placement, which includes where in the prison a prisoner is housed, his or her security classification, problems with association and their *moving through* the system to the least restrictive environment possible (22% of complaints);
- the granting of, or alleged miscalculation of, remission (7%);
- issues in relation to property and lost property (7%);

- visits (7%); and
- telephone access and calls (7%).

The remaining 50% of complaints covered the broad spectrum of issues that arise for people in custody.

Of the complaints against TPS in the reporting year, 24% were declined or discontinued, a finding of no defective administration was made in 63% of cases, and 13% were found to be wholly or partially substantiated.

My officers and I regularly meet with senior management from TPS and these meetings have fostered a positive relationship which can only assist in identifying and addressing issues in the prison system as they arise.

## **THE DEPARTMENT OF HEALTH AND HUMAN SERVICES**

The number of complaints against the Department of Health and Human Services reduced this reporting year by 10%. Human Services once again accounted for the majority of complaints against the Department (63%).

As in previous years, only a very small proportion – 6% - of complaints were found to be substantiated either partly or in full. 49% were either declined or discontinued, and in 45% of cases, a finding was made that there had been no defective administration.

Nearly all divisions of the Department were referred to in complaints, and matters complained of included:

- access to records;
- issues related to the care and management of children in State care;
- access to the Spectacle Assistance Scheme; and
- professional conduct.

My Office again received complaints from residents of the Ashley Youth Detention Centre and completed the formal investigation of a complaint lodged in the previous year concerning the unlawful detention of a young person. A summary of that investigation appears later in this report, and the full investigation report can be accessed on our web site.

## Housing Tasmania

As in previous years, a significant number of complaints against Housing Tasmania were received. These complaints largely related either to eligibility for, access to or charges associated with assisted housing.

Housing Tasmania has a three tiered internal review process for customers who are unhappy with a decision in relation to their housing:

1. customers should first contact their Tenancy Officer and/or their local Service Hub Area Manager;
2. if the customer remains unsatisfied, he or she can then contact Housing Tasmania's customer service hotline; and
3. if the customer is still unhappy with the decision, he or she can ask for it to be reviewed by the Housing Review Committee.

A number of complaints were received in the reporting year which raised substantially similar issues. These included:

- end of tenancy processes, and in particular the levying of vacation charges;
- Housing Review Committee processes including the constitution and expertise of the Committee, the observance of procedural fairness and the provision of adequate reasons for decisions made;
- a lack of access to independent review of decisions by tenants in public housing – Housing Tasmania tenants do not pay a bond, and do not therefore have the ability to lodge a dispute under the *Residential Tenancies Act 1997*;
- conversely a lack of access to any free independent review by the Housing Review Committee or my Office for those Housing Tasmania tenants accommodated in community housing who fall outside the jurisdiction of the Ombudsman.

My officers and I met with the Director of Housing and the Manager of Housing Operations to discuss the issues, and will continue to monitor and review them in the next reporting year.

## **THE DEPARTMENT OF POLICE AND EMERGENCY MANAGEMENT**

Complaints against Police have been declining over recent years, and were down in the reporting year by 20% compared to the previous year. The complaints that were received did not vary greatly from previous years, and included alleged:

- inaction on neighbourhood nuisance complaints;
- unfair and/or unwarranted issuing of infringement notices;
- use of excessive force, particularly in the deployment of capsicum spray; and
- failure to prosecute offences.

The practice of referring complaints to Police Professional Standards or the relevant Police District for investigation was maintained in the reporting year. Tasmania Police reports the outcome of its investigation to my office, and most complaints are resolved satisfactorily and appropriately in this way.

Given the low number of complaints we receive, the comparative lack of seriousness or complexity in the matters complained of and the way they are successfully managed by my Office and Tasmania Police, I do not propose to report separately in relation to Police in future as a matter of course. Any matters of significance, however, will be reported.

## **LOCAL GOVERNMENT**

Complaints against local government councils also continued to decline. My predecessor reported a decline in complaint numbers last year of 7% compared to the previous year, and there was a further decline of 17% this year. Complaints were spread between all municipal councils, save for Tasman, LaTrobe and Northern Midlands, against whom no complaints were made.

Not surprisingly, however, most complaints concerned those municipalities with the largest populations: Hobart, Launceston and Sorell, followed by Glenorchy. Things complained about included:

- zoning, compliance with planning schemes and planning matters generally;
- the processes used by councils when calling for and assessing tenders for public works;
- access to public facilities and rights (or otherwise) of access over public or council owned land;



- building control, including fees for permits and approvals; and
- licensing and permissions generally.

## **PUBLIC AUTHORITIES, GOVERNMENT BUSINESS ENTERPRISES AND OTHER AUTHORITIES**

Complaints also declined in this sector in the reporting year, from 233 in 2012-13 to 189, a reduction of 19%. Numbers were down over all, but the most significant decrease was in the number of water and sewerage complaints received.

The three regional water and sewerage corporations (Ben Lomond Water, Cradle Mountain Water and Southern Water) ceased to exist as of 30 June 2013 and were replaced with a single entity, TasWater, on 1 July 2013.

In the last year of operation for the three regional corporations, 182 complaints were received against them, with the bulk of these being against Southern Water (120, or 44% of all water complaints). In the reporting year, there were eight complaints made against Southern Water, and 134 against TasWater.

The total reduction in water complaints was 12 %, but if Southern Water is removed from the equation, the number of complaints brought against the single corporation compared to the three regional corporations represents a decrease in complaint numbers of 26%. Nonetheless, water and sewerage complaints accounted for 75% of all complaints in this category.

## **WATER AND SEWERAGE**

Dealing with one corporation instead of three has helped to streamline the way that the Office deals with water and sewerage complaints. Complaints about water and sewerage corporations reached a peak of 249 in 2011-12, decreased to 182 in 2012-13 and are down again to 149 in this reporting year.

The variety of issues of complaint being brought to the Office remained much the same as in previous years, and included:

- accounts generally;
- service charges against un-serviced land;
- metering of strata title units; and
- the calculation of tenements.

A recurring theme this reporting year, however, was a failure on the part of the corporation to respond to a complaint until the complainant had referred it to the Ombudsman. In saying this, we are aware that the commencement of the new entity at the beginning of the reporting year involved a number of challenges, including the co-ordination of three customer service areas and the streamlining of the complaints handling process.

It is a credit to the customer service team that significant advancements have been made in this area with a noticeable improvement in the quality of investigations and responses and, consequently, better outcomes for complainants.

We have regular meetings with TasWater staff from the complaints and customer service area and have been working together to improve communications between our offices, the timeliness of responses and the provision of outcomes to complainants. It does not seem overly optimistic to predict at this stage that complaint numbers might be expected to continue to fall in future years as TasWater carries on with the development and improvement of its own complaint handling processes.

## **CASE STUDIES**

### **DIER & Tasmania Police**

A complaint was received from Mr P concerning his disqualification from driving following a breathalyser infringement in mid-2013. The complaint related to delay on the part of the Registrar of Motor Vehicles in issuing a notice of disqualification until some five months after the offence. Mr P had relied upon information on DIER's website to the effect that once a fine for a Traffic Infringement Notice is paid, a person is taken to have been convicted of the offence to which the notice refers, and any period of disqualification will commence automatically 28 days after conviction. Acting on this information, Mr P stopped driving some time prior to the receipt of his notice of disqualification.

Discussion with Police revealed that delay in processing the notice could in part be attributed to a police officer's failure to submit details of the infringement notice to Traffic Liaison Services until December 2013. Tasmania Police communicated directly with Mr P and apologised for the oversight and subsequent delay. DIER advised that its process is essentially automated and it relies on receiving information from Police before issuing notices of disqualification.

After some discussion with DIER, it agreed that the information on its website had the potential to be misleading, as in fact, a disqualification would not necessarily automatically take effect within 28 days, even though that was the usual practice.

The information on the website did not clearly reflect the requirements of the legislation, and DIER agreed to review and amend the website.

### **Council Failing to Follow its Code on Tendering**

A complaint was received in relation to a major service contract put out to tender by a local government council. It was asserted that one of the directors of the company engaged by council to manage the tender process ceased to be a director at the time the tender was advertised, and became business manager of the company which ultimately won the contract. One of the members of the assessment panel who made the recommendation to the council was a former fellow director. This gave rise to a perception on the part of the complainant, an unsuccessful tenderer, of a conflict of interest and of unfairness and bias in the process.

It was also asserted that the tender documents had invited tenders for a service contract of 30 months' duration but in fact the successful tenderer had been offered a five year contract without the tender being readvertised. The complainant complained that he would have tendered differently had he known the contract was being offered for a five year term.

Preliminary inquiries were conducted under s 20A of the Ombudsman Act, and they established that the council had, in some respects, failed to follow its own Code for Tenders and Contracts. There were a number of other shortcomings in the process also identified, including a lack of adequate documentation and a failure to appropriately deal with possible conflicts of interest. There was nothing that persuaded the Ombudsman, however, that the outcome of the tender would not have been the same even were none of these shortcomings present.

The council accepted the concerns which were raised by the Ombudsman and committed to a different approach to tendering in future. This included training all of staff in tendering, probity and conflicts of interest as well as the importance of adequate documentation when undertaking the tender process. The involvement of the Office, therefore, led to improvements in council's processes and serves to illustrate that the perception that a conflict of interest has arisen or that there has been bias exhibited can cause very real problems even when the ultimate outcome may have been justifiable.

### **Youth Justice Investigation**

The Ombudsman formally investigated the Department of Health and Human Services' detention of a 14 year old for 86 days. The young person (YP) was on a supervised release order (SRO) which is similar to a parole order but specific to young offenders under the *Youth Justice Act 1997*. YP had failed to attend three days

of school, in contravention of a term of the SRO, and was subsequently returned to detention. This was to be for a period of three months but following this office's inquiries he was released after being detained for 86 days, just prior to this period concluding.

A significant number of failings were found as a result of the investigation, including but not limited to the following:

- the officer who made the decision to detain had no delegated authority to do so;
- a failure to follow the mandatory requirements of the *Youth Justice Act 1997* in relation to the procedure applicable where a SRO may have been breached, including notice provisions and giving YP the opportunity to give his version of events;
- the period of the suspension of the SRO was excessive, unfair and ignored the general principles of the Act – the young person was returned to detention for three months for failing to attend school on three days; and
- the young person was not informed of their appeal rights.

The Ombudsman made five recommendations which included legislative amendment to give the power to detain for a breach of a supervised release order to an independent tribunal or magistrate. The Department has since completed a comprehensive revision of its policy document regarding breaches of supervised release orders and strengthened its procedures.

The investigation report addresses the matter in more detail and is available on our website at:

[http://www.ombudsman.tas.gov.au/\\_\\_\\_data/assets/pdf\\_file/0006/279798/Investigation\\_into\\_the\\_unlawful\\_detention\\_of\\_a\\_young\\_person\\_March\\_2014.pdf](http://www.ombudsman.tas.gov.au/___data/assets/pdf_file/0006/279798/Investigation_into_the_unlawful_detention_of_a_young_person_March_2014.pdf).

## **Consumer Affairs & Fair Trading**

This Office received a complaint from a landlord about the actions of Consumer Affairs and Fair Trading (CAFT) and its investigation into the conduct of a staff member. The complainant considered that Consumer Affairs had acted inappropriately regarding a dispute between him and his tenant. CAFT resolved a matter regarding the filing of security deposits and also investigated concerns about distress for rent.

CAFT's involvement to the extent of assessing whether there had been a breach of the *Residential Tenancy Act 1997* was appropriate and reasonable. It became apparent, however, that CAFT officers had also effectively advocated for the tenant in a dispute with the landlord complainant regarding the return of the security deposit and in pursuing a repair issue. The Ombudsman concluded that there was a perception of bias in favour of the tenant and that CAFT investigations must be conducted impartially.

CAFT provided an apology to the complainant and indicated various changes to process that it proposed to make, including the introduction of a triage system for assessing matters and formally determining whether it is appropriate or necessary for CAFT to be involved. CAFT also indicated it was in the process of developing a customer service charter to clarify the role of the office and to let people know what they can expect when interacting with CAFT staff.

## **Dietary Needs of Prisoners**

An inmate complained that he was a vegetarian but that he had been told he needed a medical chit before he would be permitted vegetarian meals. Section 29 of the *Corrections Act 1997* contains a list of the rights of prisoners and detainees, however, and s 29(1)(c) establishes the right to be provided with special dietary food where the Director of Corrective Services is satisfied that:

- such food is necessary for medical reasons; or
- on account of the prisoner's or detainee's religious beliefs; or
- because the prisoner or detainee is a vegetarian.

Prison Services subsequently agreed that there was no role for a doctor in assessing whether someone was vegetarian and indicated that the assessment form that is completed when an inmate is initially imprisoned would be updated to include a question to ascertain whether an incoming prisoner is vegetarian. Prison Services also indicated that it has been trialling vegetarian meals as a mainstream meal option.

## **Dog Control and Release of Information**

The complainants had complained to Council about a dog attacking their dog in the street. Council investigated the matter but would not indicate to the complainants whether any sanctions were imposed on the attacking dog's owner under the *Dog Control Act 2000* (the Act). Council indicated to the complainants that this was a private matter between Council and the attacking dog's owner. The complainants were not satisfied with this and brought their concerns to the Ombudsman.

This Office was satisfied that the investigation by Council into the attack had been fair and reasonable but did not agree that the sanction imposed was a private matter given that the complainants had a direct interest in being informed of the outcome of their complaint. Council raised a number of arguments in support of its decision not to disclose the information, including that to do so would involve the inappropriate release of *personal information* to the complainants, and that that would not be in the public interest as it would harm the interests of the attacking dog's owner, as well as having an impact on the relationships of the various parties with Council.

This Office was not satisfied that it could close the file regarding Council's investigation without providing information to the complainants about the sanctions imposed. It was considered that this information was necessary to demonstrate that the investigation into the attack had been reasonable. This Office did not consider information about the sanction imposed was personal information and considered that it was appropriate the complainants be informed so they had confidence that Council was enforcing the Act. Council subsequently agreed to the disclosure of the nature of the sanction imposed.

## **RIGHT TO INFORMATION ACT 2009**

The Ombudsman is the external review entity under the Act and, amongst other things, reviews decisions of public authorities and Ministers where access to information has been refused. Other functions that fall to the Ombudsman pursuant to the Act include:

- issuing and maintaining Guidelines for the information and assistance of those using the Act, both applicants for information and the public authorities and Ministers in whose possession it is;
- issuing and maintaining a Manual relating to the operation of the Act; and
- providing advice, either on own motion or upon request, to public authorities and Ministers concerning the operation of the Act.

Section 53 of the Act requires the Ombudsman to report on the operation of the Act in the annual report prepared pursuant to the Ombudsman Act. This chapter is that report.

### **PUBLICATIONS**

One new guideline was published during the reporting year, under the RTI Act but also having relevance to the *Personal Information Protection Act 2004*. Guideline 1/2013 concerns the difference between information and the manner in which information might be recorded, particularly the difference between information and documents. The guideline also refers to the extent to which documents containing personal information should be released.

Guidelines will continue to be revised and updated as required.

### **STATISTICS AND PERFORMANCE**

As can be seen in Appendix B, the number of applications for review under the Act received in the reporting year rose from 21 to 34. These figures may not seem significant, but they indicate an increase in applications received of 38%. Most of the reviews conducted involved significant complexity and for nearly half the reporting year only one 0.6FTE officer was dedicated to their completion. We were greatly assisted in the second half of the year by a senior officer from another agency temporarily working with us, but this assistance cannot be relied on into the future.

This lack of resourcing has led to delays in the processing of reviews, and a backlog of applications awaiting completion. Applications are generally dealt with in the order they are received, unless an applicant can satisfy me that there is some good reason which his or her application should be expedited.

As Appendix B demonstrates, there was a 31% decrease in the number of decisions finalised in the reporting year compared to the previous year. Still, however, 32 matters were finalised, only slightly fewer than the number of new applications received, and formal decisions were made in 21 of them, only one less than the previous reporting year. This is to the credit of those officers referred to above.

Of the total matters finalised: the agency's decision on the original application for information was affirmed in 34% of cases; the agency's decision was varied in 19% of cases; and set aside in 13% of cases. The remaining 34% of cases were those which did not proceed to formal decision but were otherwise resolved.

Of the new applications received:

- 70% related to information in the possession of State Government departments;
- 12% related to information in the possession of local government councils; and
- 18% related to information in the possession of statutory authorities and other bodies.

Matters closed fell between the three groups in much the same proportions.

Attention has been given to finalising older cases, which included a number of complex reviews involving large volumes of documents and multiple claims for exemption. These complex cases are resource intensive and in some instances involved months of demanding review work.

In order to address the delays occasioned by complexity and large volumes of information, amongst other things, my office will continue to use alternative approaches to resolve review applications where practicable and appropriate, including case management conferences and negotiation with parties.

During the reporting year my office made decisions covering a range of exemptions under the Act including:

- information obtained in confidence (s 39);
- the business affairs exemption (s 37);
- personal information (s36);
- internal deliberative information (s 35);



- legal professional privilege (s31);
- information relating to law enforcement (s 30); and
- cabinet information (s26) and the internal briefing information of a Minister (s27).

Topical issues raised by the reviews conducted in 2013-14 included:

- exemptions claimed for workplace investigations and complaint handling material;
- exemptions claimed where it was asserted that the release of information would impair relations between the State and Commonwealth Governments; and
- information obtained by public authorities under compulsion (for example the Driver Licensing Register).

In a small number of cases my office was required to consider sufficiency of search issues, that is to review whether the public authorities concerned had conducted sufficient searches when seeking to identify and collate information responsive to an application.

In a number of cases applicants complained about delays on the part of public authorities in progressing their applications. My Office encourages public authorities to communicate with applicants at an early stage when difficulties are experienced in processing requests and it is hoped that these complaints will be minimised.

## **EDUCATION AND TRAINING**

Enquiries and expressions of interest were received from a number of councils, government departments and public authorities in the reporting year, keen to receive training and skills development in relation to the Act.

Common areas for which training was sought included:

- processing applications;
- assessing exemptions;
- dealing with complex and/or voluminous applications; and
- drafting reasons for decisions.

As noted, the limited staffing resources dedicated to RTI are primarily occupied in dealing with reviews. Where possible, however, my staff will do their best to meet

such requests, and in the reporting year were able to provide the following training - all in the second half of the reporting year when the second officer was with us - to:

- officers of Sorell Council, Glenorchy City Council, the Department of Justice and Marine and Safety Tasmania in February 2014, a total of six officers;
- twenty officers of the Department of Education in March 2014;
- four senior officers of the Department of Treasury and Finance in April 2014;
- five officers of the Department of Health and Human Services in June 2014; and
- four officers of the Glenorchy City Council, again in June 2014.

There is an ongoing demand for my office to provide RTI training to public authorities to assist them to meet the legislative requirements and obligations under the RTI Act. Unless adequate resourcing becomes available, however, that demand will have to remain largely unmet.

#### **AREAS FOR IMPROVEMENT**

In last year's annual report, my predecessor was moved to comment on a number of areas where improvements could be made by agencies when responding to requests for information under the Act. Regrettably, some of those comments remain relevant. In particular:

- **Adequacy of Reasons**

Agency decisions are still often couched in broad terms. Decision makers frequently cite the terms of an exemption without giving any factual basis for its application. A decision requires an analysis of, for example, the circumstances in which the information was generated or obtained, the nature of the information that would be disclosed, the sensitivity of the information and whether or not it has any current relevance.

- **Ordering of Information**

It is still not uncommon for an agency, in response to a request from my office to provide the information responsive to a request, to deliver a large volume of unsorted or catalogued material, some of which may be exempt, but some of which might not. It is for the agency at first instance to marshal the information that might be responsive to a request, and to identify that information that it is willing to release and that which it claims to be exempt.

- Consultation

As noted above, my Office encourages agencies to consult with applicants at an early stage of the process but it is still not done as often as it might be.

### **ASSOCIATION OF INFORMATION ACCESS COMMISSIONERS**

I will continue the office's involvement in the Association, which consists of information commissioners from Western Australia, Queensland, the Northern Territory and New South Wales and the Ombudsmen of South Australia, Tasmania and New Zealand.

The Association provides an important forum for the exchange of ideas and the discussion of issues of mutual interest.

## **PUBLIC INTEREST DISCLOSURES ACT 2002**

### **INTRODUCTION**

My responsibilities under the Act include:

- receiving and assessing potential public interest disclosures about improper conduct by public officers and public bodies
- determining whether the disclosure is a public interest disclosure;
- where appropriate investigating such disclosures;
- preparing and publishing guidelines and standards for the procedures to be followed by public authorities when implementing the provisions of the Act;
- approving those procedures once developed;
- preparing and publishing guidelines to assist in determining whether improper conduct is serious or significant;
- monitoring the progress of investigations being made under the Act by public bodies: and
- advising public bodies in relation to the operation of the Act.

### **GUIDELINES**

In May 2014, my Office published revised Guidelines and Standards under s 38 of the Act and conducted a three yearly review of PID procedures. Section 60 of the PID Act requires that:

- each public body subject to the Act establish procedures which comply with the Guidelines and Standards;
- the public body submits its procedures to the Ombudsman for approval before their initial adoption; and
- the public body thereafter submits its procedures to the Ombudsman for approval once in each three year period following their initial approval.

The Guidelines and Standards incorporate model procedures, and the revised guidelines included simplified flow charts giving an overview of the process for dealing with public interest disclosures.

The monitored three yearly review provides an opportunity to critically evaluate how the PID procedures are operating, and to get valuable feedback as to what is working well, and/or how the procedures might be improved.

I take this opportunity to thank all public authorities subject to the PID Act for their prompt attention to the review. I also thank the public authorities who contacted my office to provide comment and feedback about the revised PID guidelines.

## **THE YEAR IN REVIEW**

Section 84 of the Act requires me to include in my annual report specific information in relation to various aspects of its operation. In satisfaction of that requirement, I report that in the reporting year:

- copies of current guidelines and standards published by the Ombudsman under Part 6 of the Act could be, and still can be, obtained or accessed under the *Publications and Media* tab on the Ombudsman web site at [www.ombudsman.tas.gov.au](http://www.ombudsman.tas.gov.au) – s 84(a)
- the Ombudsman received no approaches which might potentially be seen as disclosures under the Act - s 84(b);
- no determinations were therefore made whether any approaches were public interest disclosures or not - s84(c);
- the Ombudsman did not investigate any disclosed matter - s84(d);
- no approach was referred by the Ombudsman to the Integrity Commission pursuant to s 29B of the Act, to Tasmania Police pursuant to s 41 or to the Australian Securities and Investment Commission, also pursuant to s 41, for investigation - s 84(e);
- the Ombudsman did not formally decline to investigate any disclosed matter - s 84(f)(i);
- no disclosed matters were referred to the Ombudsman by a public body for investigation - s84(f)(ii);
- no disclosures were referred to the Ombudsman by the President of the Legislative Council or by the Speaker of the House of Assembly - s84(g);
- the Ombudsman did not take over the investigation of any disclosed matter - s84(h);
- the Ombudsman made no recommendations consequent upon the investigation of a disclosed matter - s 84(i);
- no recommendations were made in relation to any disclosed matter - s 84(j);
- no recommendations were made in relation to the procedures established by a public body - s 84(k); and

- no action was taken consequent on a recommendation made by the Ombudsman, there having been no such recommendation: s 84(l).

## PERSONAL INFORMATION PROTECTION

Schedule 1 of the *Personal Information Protection Act 2004* (the PIP Act) creates a set of Personal Information Protection Principles by which all public authorities holding the personal information of members of the community are bound. The Principles and other provisions of the Act regulate the manner in which an authority can collect, maintain and use personal information and the limited circumstances in which such information can be disclosed. The PIP Act is the primary piece of legislation concerning the management of personal information in the possession of public authorities.

A complaint may be made to the Ombudsman under the Act by a person in relation to the alleged contravention by a personal information custodian of a personal information protection principle that applies to the person, provided that he or she has first raised the matter with the relevant personal information custodian and is not satisfied with the response he or she receives.

The Ombudsman can conduct a preliminary assessment of a complaint for the purpose of deciding whether to deal with it or not. The Ombudsman can determine not to deal with a complaint in certain circumstances, and may also refer it for investigation or other action by any person, body or authority considered appropriate. If it is decided that the complaint should be dealt with, any investigation conducted by my office is conducted in accordance with the powers conferred by Division 3 of Part III of the *Ombudsman Act 1978*.

A number of complaints alleging breaches of the Act and non-compliance with the Personal Information Protection Principles were received during the reporting year. I also received several enquiries from persons wishing to access their personal information, and from information custodians as to the circumstances under which they might release information.

There are a number of matters that have arisen as a result of the complaints and enquiries received which it would be appropriate for my office to monitor and audit. One such matter was compliance by information custodians with the procedural requirements imposed by the Act and the Principles as opposed to breaches occasioned by the wrongful use and dissemination of information.

In particular it was brought to my attention during the reporting year that not all custodians were compliant with Principle 5 which requires custodians to clearly set out in a document their policies for the management of personal information, and to make that document available to anyone who asks for it. I decided to write to all personal information custodians in order to ascertain which are compliant with the Principle and those which are not, and I will report on the outcome of this correspondence in next year's report.

I am concerned, however, that the particular example of non-compliance raised might perhaps indicate that there exist some broader systemic issues concerning compliance, which is something that my office could, and should audit.

Another matter arising is the interplay between the PIP Act, the RTI Act and the PID Act. There is a clear need for training in this regard, as well as more generally in relation to the three subject Acts.

This will all need a level of resourcing, however, which again is greater than that currently available to me.



## INSPECTIONS UNDER POLICE LEGISLATION

The Ombudsman is the inspection entity in relation to certain records that must be retained by law enforcement agencies.

### I. ***Police Powers (Surveillance Devices) Act 2006***

This legislation provides for the installation, use, maintenance and retrieval of surveillance devices in criminal investigations and other matters. It is the role of the inspection entity to ensure that law enforcement agencies comply with their record keeping obligations under the Surveillance Devices Act.

My delegated officers' conduct inspections of records held under the Act at least once every year, as required by the Act, and I make a written report to the relevant ministers on the results of each inspection. The Minister for Justice then causes a copy of the report to be laid before each House of Parliament.

Tasmania Police's surveillance device records were inspected for the 2013/2014 financial year on 25 June 2014. The assisting officer was cooperative at all times in facilitating the inspection and I was satisfied with the comprehensiveness and adequacy of the records.

The only other agency under the Surveillance Devices Act that can currently apply for a surveillance device warrant is the Integrity Commission. Under the *Integrity Commission Act 2009*, an investigator, with the approval of the chief executive officer, may apply for a warrant under the Act as if the investigator were a law enforcement officer. Such an application has to relate to a complaint of serious misconduct.

It was mistakenly reported last year that this Office inspected surveillance device records held by the Integrity Commission in the 2012/2013 financial year. The records were actually inspected for the first time in August 2013, in this reporting year, and a written report was sent to the relevant ministers on 16 August 2013.

It was noted in that report that there is a legislative anomaly in that while s 53(2) of the Integrity Commission Act makes the Commission's records in relation to surveillance device warrants subject to inspection by the Ombudsman as if it were a law enforcement agency, it does not impose any obligation on the Commission to maintain the same records as law enforcement agencies are required to do.

Nonetheless, the Commission's General Counsel was cooperative at all times with facilitating the inspection and I was satisfied with the comprehensiveness and adequacy of the records kept, despite the legislative anomaly referred to above. One of my officers again inspected the records in June 2014 and they will be inspected again in June 2015.

It was also mistakenly reported in last year's annual report that an Australian Crime Commission record was inspected. The Commonwealth has not yet consented to the conferral of the powers in the Act to the Australian Crime Commission and as such there are no records that could be inspected.

**2. *Police Powers (Controlled Operations) Act 2006***

This Act provides for the authorisation, conduct and monitoring of controlled police operations. As with the Surveillance Devices Act, it is the role of the inspection entity to ensure that law enforcement agencies comply with their record keeping obligations under the Act. There has been no change since the last inspection of Tasmania Police records conducted in the 2012/2013 financial year.

**3. *Telecommunications (Interception) Tasmania Act 1999***

Tasmania Police is obliged to keep certain specified records relating to telecommunications interceptions. These records must be inspected by my office at least once every six months to ensure Tasmania Police is complying with its obligations. I am required to report to the relevant minister on the inspections at the end of each financial year. The Minister must then provide a copy of the report to the relevant Commonwealth Minister.

My officers conducted inspections in December 2013 and June 2014. A procedural error was identified with some records in December and brought to Tasmania Police's attention. The matter was quickly rectified and it was observed that Tasmania Police was fully compliant with its record keeping obligations in June 2014.

The assisting officer was cooperative at all times in facilitating the inspection and after the error discussed above was remedied I was satisfied with the comprehensiveness and adequacy of the records.

## **ENERGY OMBUDSMAN ACT 1998**

### **INTRODUCTION**

As Ombudsman I administer the *Energy Ombudsman Act 1998* with the assistance of two dedicated staff, a Principal Officer and an Investigation Officer, and the Office's administration team.

### **ELECTRICITY MARKET CHANGES**

The proposed competitive domestic and small business electricity market did not commence on 1 January 2014 as intended, but it became possible for new electricity retailers to enter the domestic and small business market from 1 July 2014. If there are any new entrants it is quite possible that complaints to my Office will increase, especially market related complaints that are currently non-existent in Tasmania but a major source of complaint from consumers in contestable jurisdictions.

On 1 July 2014 the Aurora Energy Distribution Business joined with Transend Networks as a new entity named TasNetworks. I do not believe this change will unduly impact the day to day business of the office as I will be addressing the same issues that are currently raised against Transend and Aurora Energy Distribution but through the new entity.

### **STATISTICS**

Statistics for the Energy Ombudsman jurisdiction can be found in Appendix C to this report, but the key statistics for the reporting year are as follows:

- a 26% increase in the number of enquiries opened and closed (232 to 292);
- a 243% increase in out of jurisdiction enquiries (28 to 96);
- a 49% increase in enquiries generally (260 to 388);
- a 5% decrease in the number of new complaints received (461 to 440); and
- a 1% increase in the number of complaint files closed (469 to 474).

As was the case last year, 9% of complaints received were dealt with by utilising our RHL (Refer to Higher Level) process through which the complaint is referred back to Aurora Energy, giving it the opportunity to resolve the complaint quickly without recourse to this Office.

Tasmania has a very small domestic reticulated gas market and almost all complaints received related to electricity; only six gas complaints were received for the last

reporting year. Of the complaints against Aurora Energy, 78% related to retail and 22% to network.

Billing and credit issues accounted for 72% of all issues raised in closed complaints.

## **COMPLAINT TRENDS**

Issues raised in complaints to my office over the reporting year have generally been consistent with previous years.

Complaints about high bills have increased. Unlike recent past reports, I cannot identify any obvious reason for this increase. The usual spikes in high bill complaints around October and November, following the colder billing quarters, have not been obvious. It may be that, in the current economic climate, electricity consumers are taking a more proactive interest in their electricity consumption and account statements and questioning the amount they are paying for electricity among other services and utilities.

Tariff related complaints are much the same as for the previous year, although there was a reduction in complaints from consumers who found themselves on an incorrect tariff. They were primarily domestic consumers on the general tariff 22 rather than the appropriate domestic tariffs. This has been reported on in the past as a systemic issue but action taken by Aurora Energy over the past few years appears to be addressing it.

Credit complaints are similar to last year although complaints about pending or completed disconnections increased marginally. This is no surprise given Aurora Energy retail was moving towards ceasing to operate by the end of 2013 and was, therefore, taking firmer action in the recovery of debts.

Complaints about estimated electricity consumption decreased slightly but continue to be regularly received. They concern issues relating to access to meters, particularly on properties where there are dogs present. Aurora Energy has an expectation that dogs will be restrained and not pose a risk to meter readers attempting to access a meter. Generally a meter reader will not attempt to access a meter if he or she is aware that a dog is present but cannot see whether it is restrained or not. Many complainants do not see this expectation as reasonable, particularly those who have a dog that is small, aged or otherwise harmless. It is not reasonable, however, to expect a meter reader to be able to determine the temperament of a dog from its size, age or breed.

Nonetheless, I consider that there is scope for some improvement in Aurora Energy's approach to its dog policy and I intend to pursue the matter with

TasNetworks which took over the responsibility for reading meters on 1 July 2014. I acknowledge, however, that there are inherent risks associated with entering upon properties where dogs are present and I believe that meter readers are entitled to enjoy a safe and risk free workplace. For these reasons my Investigation Officers will generally provide complainants with detailed explanations of the dog policy.

If there are valid reasons why a complaint should be considered further it is generally more expedient to refer the complaint back to Aurora Energy to seek a resolution. There are a number of ways the issue can be overcome, particularly through such actions as meter self-reads, and updated notes provided to the meter reader on the status of dogs on a property.

Finally, there has been a steep increase in complaints about unplanned electricity outages. These complaints, in my view, can largely be attributed to a number of storm events over the reporting period and involved the duration of outages and claims for compensation for damaged items (such as perishables and electrical items) resulting from the outage. In particular, a storm event on the 2014 Hobart Cup Day caused an unusually large number of outages in Hobart's urban areas and there were some lengthy delays in restoring supply. As an observation, however, it is mostly the case that my Investigation Officers are unable to find fault with Aurora Energy as the outages have been beyond its control.

While some complainants may feel aggrieved about the time taken to have their supply restored I consider that this work is undertaken as quickly as possible with the resources available and taking into account workplace health and safety issues. I am not prepared to intervene where there are complex technical issues associated with the distribution system being re-energised that may delay the restoration of supply for some consumers. It is the nature of an overhead electricity distribution system that, from time to time, outages will occur and some inconvenience and loss will result.

## **OTHER MATTERS**

I met once during the reporting year with the new CEO of Aurora Energy, Rebecca Kardos, and it has been agreed that further meetings will continue to occur on a quarterly basis. I have continued my predecessor's involvement with the Australia and New Zealand Energy and Water Ombudsman Association, which meets regularly.

The Principal Officer, Energy, is also in regular contact with officers of Aurora, and also participates in monthly telephone conference meetings of our interstate counterparts, chaired by the office of the Victorian Energy and Water Ombudsman. While these meetings are largely focussed on marketing issues which are not

relevant in Tasmania, they are still an excellent opportunity to discuss all manner of complaint issues that come to us.

## HEALTH COMPLAINTS ACT 1995

I include this brief chapter, even though it covers matters outside the scope of my annual report under the Ombudsman Act, so that this report gives a full picture of the work of the Office. I hold appointments as both Ombudsman and Health Complaints Commissioner and my annual report pursuant to the *Health Complaints Act 1995* has been published at the same time as this report and can be seen at [www.healthcomplaints.tas.gov.au](http://www.healthcomplaints.tas.gov.au)

### STATISTICS

These are the key Health Complaints Commissioner statistics for the reporting year:

- a 5% increase in complaints received (318 in 2012-13, 324 in 2013-14);
- a 400% increase in notifications from AHPRA (from 16 in 2012-13 to 66 in 2013-14);
- a 5% decrease in complaints closed (from 360 in 2012-13 to 342 in 2013-14);
- a 24% decrease in complaints carried forward (from 175 in 2012-13 to 133 in 2013-14);
- a 13% decrease in the number of active complaints (from 133 in 2013-14 to 115 in 2014-15);
- 25 % of cases assessed outside the required 90-day period;
- a 10% increase from 2012-13 to 2013-14 in complaints finalised within three months;
- a 3% increase from 2012-13 to 2013-14 in complaints finalised within six months;
- only 9% of complaints took 12 months or more to finalise;
- a 12% increase in the number of complaints closed as having been resolved in assessment;
- a 33% decrease in the number of matters closed in conciliation (from 42 to 30);
- a 15% decrease in the number of enquiries received (from 469 to 397); and

- a 10% decrease in the number of cases referred to conciliation (from 28 to 25).

The increase in complaints closed as having been resolved in assessment and the decrease in complaints referred to and closed in conciliation reflects a continuing focus on early resolution and an unwillingness to artificially push complaints into conciliation to avoid the 90 day assessment window requirement.

## **COMMUNICATIONS AND COMPLAINT HANDLING**

As my predecessor noted in last year's report, explanation is a powerful tool. In the complaints we receive, complainants generally want to understand what happened and why and, in appropriate cases, to receive an apology, ongoing care and compensation. They also want to know what can or is being done to prevent the same thing happening to someone else.

In this reporting year, of the complaints closed in the assessment stage, the most common outcome was the provision of an explanation. Other outcomes that resulted in complaints being resolved included apologies, provision of services, refunds of costs, concerns being noted, and recommendations for, and the implementation of quality improvements such as changes in policy or procedure.

## **COMPLAINTS MANAGEMENT**

Despite maintained improvement in most of the key statistics referred to above, complaint numbers are not reducing, the subject matter of complaints is increasingly complex and the number of stakeholders with whom we consult is growing.

In addition to managing complaints, staff must also deal with complaints about registered health practitioners which are made to registration boards through AHPRA. These are referred to in this Office as notifications rather than complaints. There was a 400% increase (16 to 66) in the number of cases notified to this Office by AHPRA in the reporting year and a 50% (33 to 49) increase in the number of these cases closed.

As reported last year, after several years of growing complaint numbers the gap between opened and closed cases was widening and the number of complaints carried forward from reporting year to reporting year was increasing. The figures for last year showed an encouraging reversal of this trend. This was repeated this year although to a lesser extent. This improvement is due in large part to the dedication of my health complaints team to the pursuit of more efficient ways to deal with complaints. We continue to seek appropriate efficiency gains across all our



processes to ensure that, to the best of our ability and within the limited resources at our disposal, we can still provide Tasmanians with an effective health complaints scheme that meets their needs.

## **INVESTIGATION**

Only three matters were referred for investigation during the reporting year and all are ongoing.

I am of the view that there would be a benefit in future in referring more matters to investigation for the purposes of gathering information rather than prolonging the assessment stage.

## **CONCILIATION**

As reported last year fewer matters were referred to conciliation in that year than in previous years. This was as a consequence of more work being undertaken in assessment and a decision not to artificially push cases into conciliation in order to meet statutory timeframes. This practice was regarded as an inefficient use of resources, as it involved cases being reallocated to conciliators and potential double handling.

With a continued focus on resolving complaints within assessment only 25 matters were referred to conciliation this year. There remains a significant backlog of conciliation cases which is attributable partly to a reduction in the conciliation staff but mainly as a result of the time taken by public hospitals to respond to requests for compensation. This appears, at least in part, to be as a consequence of the stringent controls placed on access to the Tasmanian Risk Management Fund by public hospitals.

The average age of matters closed in conciliation this reporting year increased to 724 days. As reported last year, this time includes the assessment period and often lengthy periods of time waiting for the outcome of AHPRA investigations. Another significant factor in the time it takes to bring conciliations to conclusion remains the limited availability of provider representatives to attend conciliation meetings, coupled with significant delays in receiving the necessary legal advice for the matter to be finalised.

As was the case last year there were a number of cases involving public hospitals or public health services where once again there have been significant delays in obtaining this advice. These delays, coupled with poor communication about the reasons for them, not only damage any good will or rapport established between the parties at conciliation but have the tendency to exacerbate the original complaint.

## **AUSTRALIAN HEALTH PRACTITIONER REGULATION AGENCY**

This was the fourth year of operation of the National Registration and Accreditation Scheme (NRAS) for members of the principal health professions, which is administered by AHPRA, working in conjunction with the 14 National Boards of the various professions covered by the scheme.

In accordance with the intergovernmental agreement that underpins the National Scheme, the Australian Health Workforce Ministerial Council (AHWMC) commissioned an Independent Review following the first three years of operation. That review has highlighted a number of concerns with the current mechanisms for dealing with complaints about registered health practitioners, and it presents an opportunity to address the impact the current arrangements have on the ability of this Office to meet its statutory time limits and progress matters in a timely and efficient manner.

## **OFFICIAL VISITORS**

### **OVERVIEW**

The Prison Official Visitors Scheme and the Mental Health Official Visitors Scheme are administered from my Office with the support of a part time manager and a part time administrative officer.

### **PRISON OFFICIAL VISITORS**

Prison Official Visitors play a vital role in monitoring and reporting on the treatment and conditions of prisoners and detainees in the State's prisons. They also assist prisoners and detainees to raise and resolve concerns and complaints.

The *Corrections Act 1997* was amended in 2013 to establish the role of the Coordinator of the Official Visitors Scheme whose functions are to ensure that each prison is visited at least once a month and to provide a report to the Minister each year on the enquiries or investigations made by Official Visitors, on their visits to prisons and on the activities of Official Visitors.

The Ombudsman is currently the Coordinator of the Official Visitors Scheme.

Visitors are appointed by the Minister under the *Corrections Act 1997* for a fixed term of three years. They act independently and may report to the Minister or the Director on:

- the management or disciplining of a prisoner or detainee, or the conduct of correctional officers or State Service corrections employees, at a prison visited by the official visitor; or
- any matter relating to the treatment or condition of prisoners or detainees at that prison; or
- the state of the prison

At the end of the reporting period there were eight Visitors who, between them, visited all the correctional facilities in the State. These facilities include the Reception Prisons in Hobart and Launceston as well as the facilities at the Risdon Prison Complex.

Visitors come from diverse backgrounds, with a range of experience, expertise and skills. They each bring their own perspective to the role. Their combined observations provide a detailed picture of the prison environment, its management and the prevailing concerns of prisoners and detainees.

Corrective Services and Correctional Officers recognise and respect the role of Official Visitors, who regularly report a high level of cooperation from management and staff during their visits. They are allowed free access to prisoners and detainees, who are able to raise matters of concern to them in an informal and confidential way. If these concerns relate to matters of routine or day to day management, the Visitors are often able to resolve them on the spot.

Visitors regularly debrief with custodial managers at the conclusion of their visits and are able to convey to management directly what they have seen or had brought to their attention, and what needs to be addressed.

Official Visitors facilitate more formal complaints to me by providing inmates with complaint forms. These are provided to prisoners and detainees by prison officers and management upon request, but many prisoners are not comfortable asking for them and often need the process to be explained.

As Visitors visit each facility and unit on a regular basis, they are able to monitor change and the manner in which prisoners' concerns are being dealt with. A total of 109 visits were made to correctional facilities during the reporting year.

## **MENTAL HEALTH OFFICIAL VISITORS**

The *Mental Health Act 2013* commenced operation on 17 February 2014.

The Act maintains the role of Official Visitors but also established the position of Principal Official Visitor. The Ombudsman is currently the Principal Official Visitor.

Official Visitors continue to visit approved facilities which includes the secure mental health unit (the Wilfred Lopes Centre) at least once a month. In addition Official Visitors may visit premises from which patients are provided with services under this Act.

They also monitor the adequacy and quality of approved facilities, with particular regard to the recreational, occupational, training and rehabilitation facilities available to patients.

Apart from visiting patients with these types of oversight in mind, Official Visitors also refer complaints and suspected contraventions of the Act or other matters that require investigation to the Principal Official Visitor.

Section 166 of the Act requires the Principal Official Visitor to give the Minister for Health a report on the activities of Official Visitors during the financial year.

## APPENDIX A: STATISTICS - OMBUDSMAN ACT

Table 1. Enquiry activity

	2012-13	2013-14	Variance
Enquiries opened and closed in the period	640	651	2%
Out of jurisdiction enquiries	1117	1317	18%
<b>Total enquiries</b>	<b>1757</b>	<b>1968</b>	<b>12%</b>

Table 2. Complaint activity

	2012-13	2013-14	Variance
Carried forward from previous period	156	100	
Opened in period	806	736	-9%
Closed in period	862	766	-11%
	100	70	

*Excludes RTI Cases*

Table 3. Complaints against state government

Department	Received 2012-13	Received 2013-14	Closed 2013-14	Declined	Discontinued	No Defective Administration	Partly/Fully Substantiated
<b>Economic Development, Tourism and the Arts</b>							
Arts Tasmania	0	1	0				
Tasmanian Museum and Art Gallery	0	0	1	1			
<b>Sub-total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Education</b>							
Office of the Secretary	2	2	2	2			
Tasmanian Archive and Heritage Office	1	0	1				1
Tasmanian Polytechnic	1	0					
Departmental/Not specified	9	7	9	6	1	2	
<b>Sub-total</b>	<b>13</b>	<b>9</b>	<b>12</b>	<b>8</b>	<b>1</b>	<b>2</b>	<b>1</b>
<b>Health and Human Services</b>							
Ashley Youth Detention Centre	4	6	6			6	
Correctional Health Services	1	0	0				
Health Services	5	3	2			1	1
Human Services	69	57	71	35	3	29	4

Department	Received 2012-13	Received 2013-14	Closed 2013-14	Declined	Discontinued	No Defective Administration	Partly/Fully Substantiated
Mental Health Services	4	1	2		1		1
Office of the Secretary	1	0	0				
Population Health	4	5	6		2	4	
Statewide Systems Development	3	0	1			1	
Tasmanian Ambulance and Health Transport Services	0	1	1	1			
Departmental/Not specified	9	17	17	9	1	7	
<b>Sub-total</b>	<b>100</b>	<b>90</b>	<b>106</b>	<b>45</b>	<b>7</b>	<b>48</b>	<b>6</b>
<b>Infrastructure Energy Resources</b>							
Forest Practices Authority	1	1	1		1		
Land Transport Safety	8	7	7	4		1	2
Racing Services Tasmania	1	0	0				
Roads and Traffic	2	2	2	1	1		
Departmental/Not specified	6	9	11	4		5	2
<b>Sub-total</b>	<b>18</b>	<b>19</b>	<b>21</b>	<b>9</b>	<b>2</b>	<b>6</b>	<b>4</b>
<b>Justice</b>							

Department	Received 2012-13	Received 2013-14	Closed 2013-14	Declined	Discontinued	No Defective Administration	Partly/Fully Substantiated
Crown Law	0	0	1	1			
Guardianship and Administration Board	4	1	1			1	
Integrity Commission	0	1	0				
Legal Aid	4	0	0				
Magistrates Courts	0	1	1	1			
Monetary Penalties Enforcement Service/Motor Registries	3	2	3			2	1
Office of Consumer Affairs and Fair Trading	5	3	5	1		1	3
Office of the Anti-Discrimination Commissioner	2	3	3	1		1	1
Parole Board	3	0	0				
Poppy Advisory and Control Board	1	0	0				
Prison Services	200	166	176	22	20	110	24
Public Guardian	1	0	0				
Tasmanian Industrial Commission	0	1	1		1		
Victims Support Services	0	1	1	1			
Workers Rehabilitation and Compensation Tribunal	0	1	1	1			



Department	Received 2012-13	Received 2013-14	Closed 2013-14	Declined	Discontinued	No Defective Administration	Partly/Fully Substantiated
Workcover	1	0	0				
Workplace Standards Tasmania	2	1	2	1		1	
WorkSafe Tasmania	0	1					
Departmental/Not specified	5	9	10	6	3	1	
<b>Sub-total</b>	<b>231</b>	<b>191</b>	<b>205</b>	<b>35</b>	<b>24</b>	<b>117</b>	<b>29</b>
<b>Police and Emergency Management</b>							
Northern District	1	1	1	1			
Operations Support	0	1	1	1			
Professional Standards	1	0	0				
Tasmania Fire Service	1	2	1	1			
Tasmania Police Service	31	21	25	14		9	2
Western District	0	1	1			1	
Departmental/Not specified	5	5	5	4		1	
<b>Sub-total</b>	<b>39</b>	<b>31</b>	<b>34</b>	<b>21</b>	<b>0</b>	<b>11</b>	<b>2</b>

<b>Premier and Cabinet</b>							
Local Government Division	0	1	1			1	

Department	Received 2012-13	Received 2013-14	Closed 2013-14	Declined	Discontinued	No Defective Administration	Partly/Fully Substantiated
Service Tasmania Unit	2	0					
Departmental/Not specified	0	0	1	1			
<b>Sub-total</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>Primary Industries, Parks, Water and Environment</b>							
Biosecurity and Product Integrity	2	0	0				
Environment Protection Authority	1	2	0				
Information and Land Services	5	1	2	1		1	
Parks and Wildlife Service	5	0	0				
Water Resources	0	0	1			1	
Departmental/Not specified	0	3	2	1		1	
<b>Sub-total</b>	<b>13</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>0</b>
<b>Treasury and Finance</b>							
State Revenue Office	7	3	3	3			
Departmental/Not specified	0	2	2			2	
<b>Sub-total</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>0</b>

Department	Received 2012-13	Received 2013-14	Closed 2013-14	Declined	Discontinued	No Defective Administration	Partly/Fully Substantiated
<b>GRAND TOTAL</b>	<b>423</b>	<b>354</b>	<b>391</b>	<b>125</b>	<b>34</b>	<b>190</b>	<b>42</b>

Table 4. Complaints against local government

Council	Received 2012-13	Received 2013-14	Closed 2013-14	Declined	Discontinued	No Defective Administration	Partly/Fully Substantiated
Break O'Day Council	9	3	4	1		1	2
Brighton Council	2	2	3	2		1	
Central Coast Council	0	7	7	3		2	2
Central Highlands Council	3	1	0				
Circular Head Council	0	0	1			1	
Clarence City Council	7	3	2		1	1	
Derwent Valley Council	4	2	1				1
Devonport City Council	2	1	1				1
Dorset Council	0	2	2	1		1	
George Town Council	1	2	2	2			
Glenorchy City Council	7	3	5	1		4	
Hobart City Council	10	6	6	2		3	1
Huon Valley Council	5	4	3			2	1

<b>Council</b>	<b>Received 2012-13</b>	<b>Received 2013-14</b>	<b>Closed 2013-14</b>	<b>Declined</b>	<b>Discontinued</b>	<b>No Defective Administration</b>	<b>Partly/Fully Substantiated</b>
Kentish Council	2	1	1	1			
King Island Council	0	2	2	1		1	
Kingborough Council	3	2	1	1			
Latrobe Council	3	0	1				1
Launceston City Council	3	7	7	6			1
Meander Valley Council	1	1	1			1	
Northern Midlands Council	1	0	1			1	
Sorell Council	3	8	9	5	1	3	
Southern Midlands Council	1	1	1			1	
Tasman Council	1	0	0				
Waratah/Wynyard Council	1	3	3	2		1	
West Tamar Council	7	2	4			3	1
<b>GRAND TOTAL</b>	<b>76</b>	<b>63</b>	<b>68</b>	<b>28</b>	<b>2</b>	<b>27</b>	<b>11</b>

Table 5. Complaints against public authorities, government business enterprises and other authorities

<b>Authority or Enterprise</b>	<b>Received 2012-13</b>	<b>Received 2013-14</b>	<b>Closed 2013-14</b>	<b>Declined</b>	<b>Discontinued</b>	<b>No Defective Administration</b>	<b>Partly/Fully Substantiated</b>
Aurora Energy	10	4	5	5			
Ben Lomond Water	34	7	9	6		3	
Cradle Mountain Water	28	0	1			1	

Authority or Enterprise	Received 2012-13	Received 2013-14	Closed 2013-14	Declined	Discontinued	No Defective Administration	Partly/Fully Substantiated
Forestry Tasmania	1	0	0				
Law Society of Tasmania	0	1	1			1	
Marine and Safety Tasmania	1	1	1			1	
Metro Tasmania	1	1	1	1			
Motor Accidents Insurance Board	1	3	3	1	1	1	
Retirement Benefits Fund Board	11	13	11	3		6	2
Southern Water	120	8	16	6		5	5
Tasmanian Ports Corporation Pty Ltd	1	1	2	1		1	
TasWater	0	134	111	35	4	55	17
The Public Trustee	13	9	10	5		3	2
Transend Networks	0	1	0				
TT Line	4	0	0				
University of Tasmania	8	6	3		1	2	
<b>GRAND TOTAL</b>	<b>233</b>	<b>189</b>	<b>174</b>	<b>63</b>	<b>6</b>	<b>79</b>	<b>26</b>

Table 6. Total cases opened, closed and substantiated

This table represents the compilation of tables 4, 5 and 6.

	Received 2012-13	Received 2013-14	Closed 2013-14	Declined	Discontinued	No Defective Administration	Partly/Fully Substantiated
Out of Jurisdiction total	74	130	133	133			
<b>GRAND TOTAL OF ALL COMPLAINTS</b>	<b>806</b>	<b>736</b>	<b>766</b>	<b>349</b>	<b>42</b>	<b>296</b>	<b>79</b>

Figure 1. Who is being complained about?

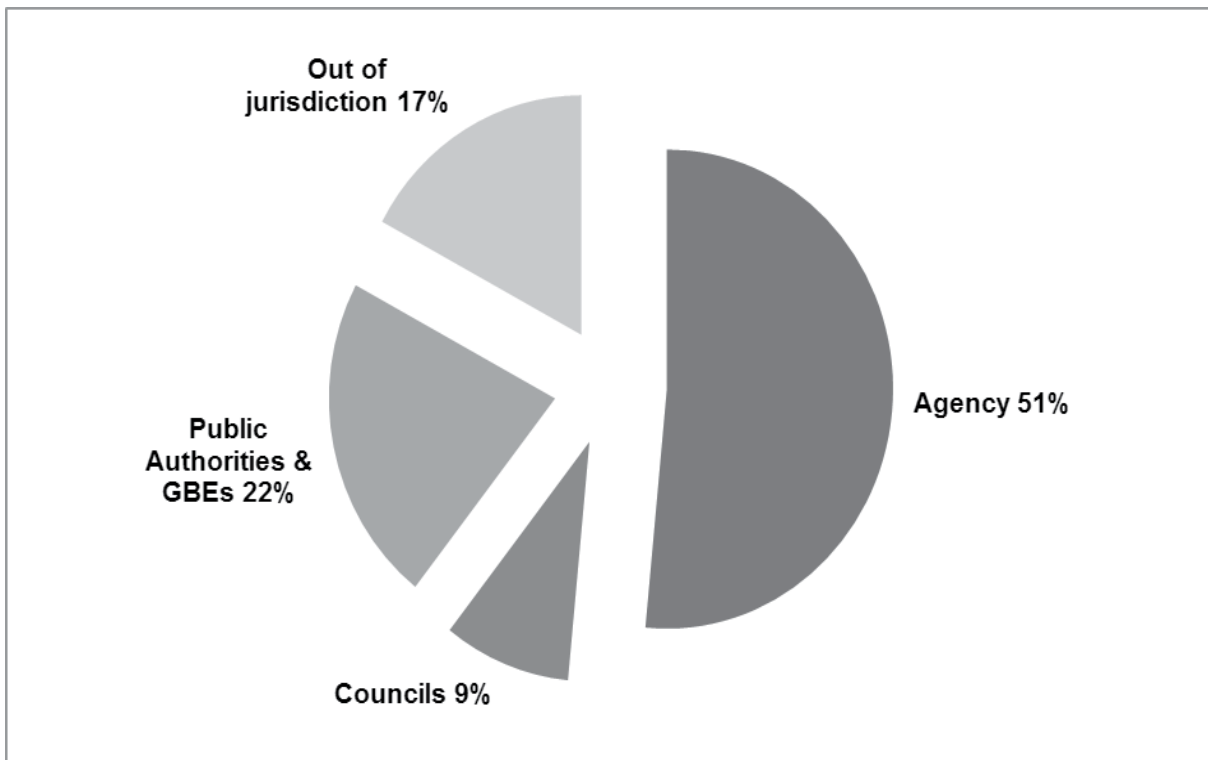


Figure 2. Complaints about state government departments

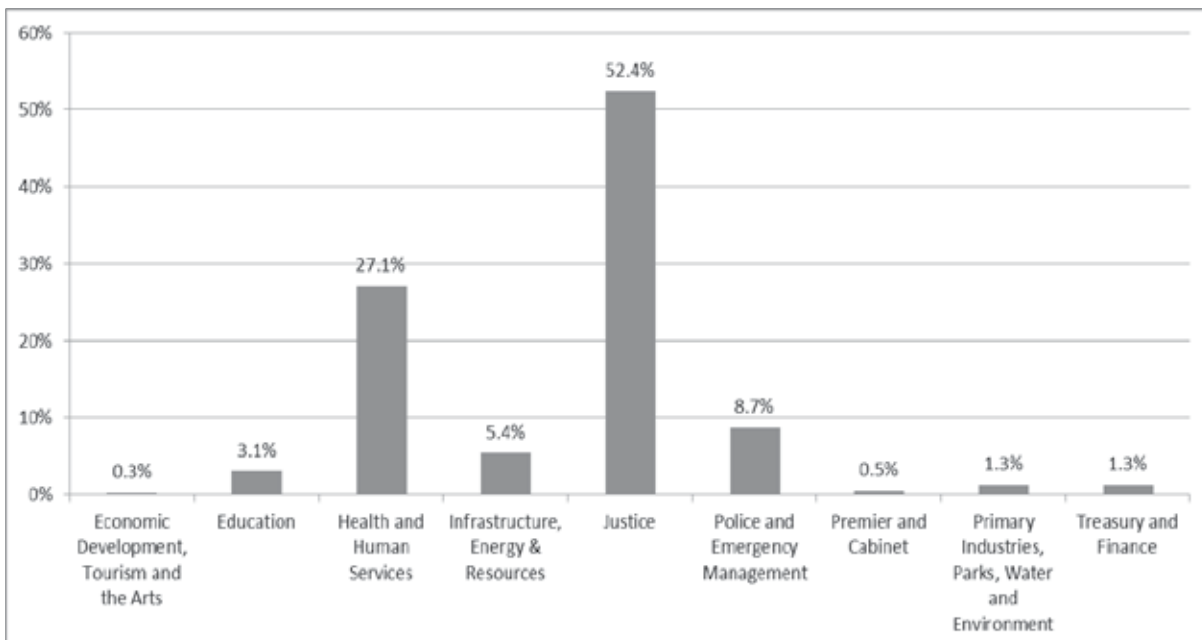


Figure 3. What were complainant's objectives?

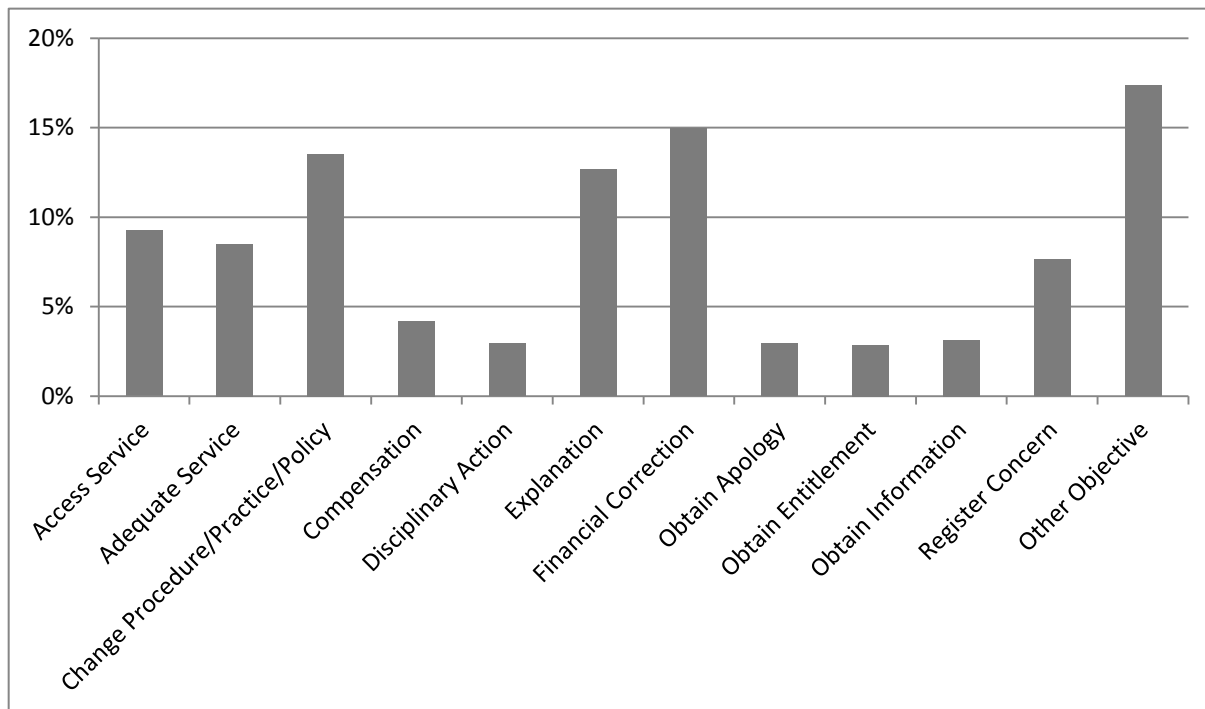


Figure 4. Time taken to resolve complaints

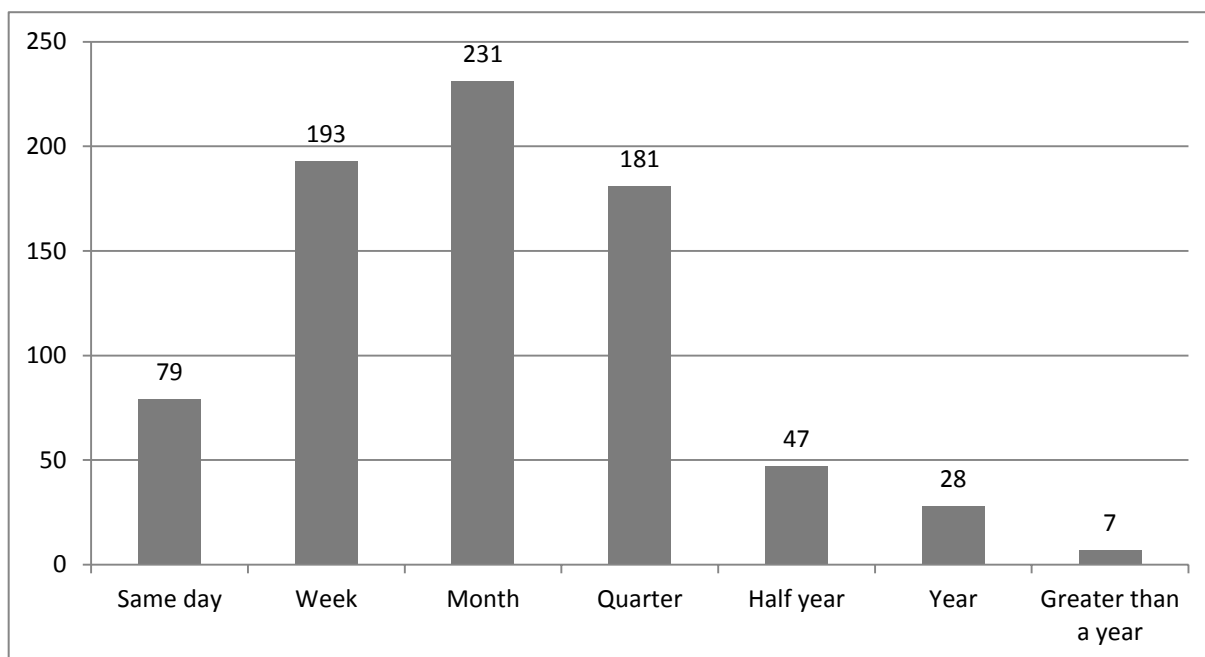




Figure 5. Complaints resolved within 90 days

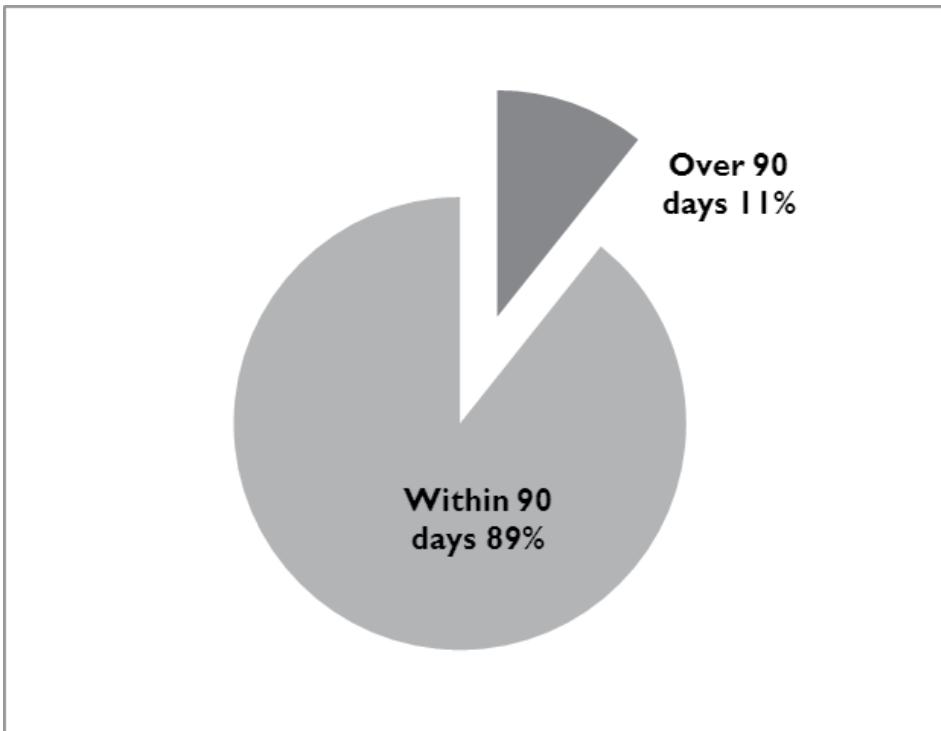


Figure 6. What were the main issues against state government departments?

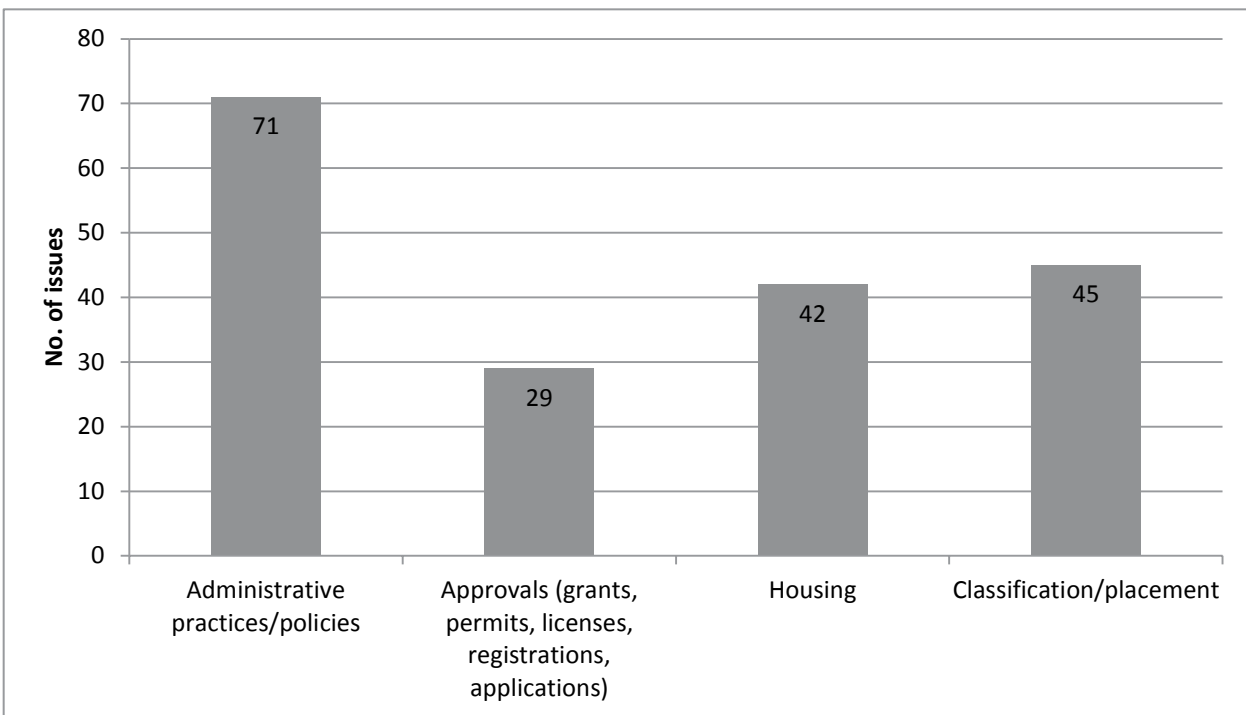


Figure 7. What were the main issues against prison services?

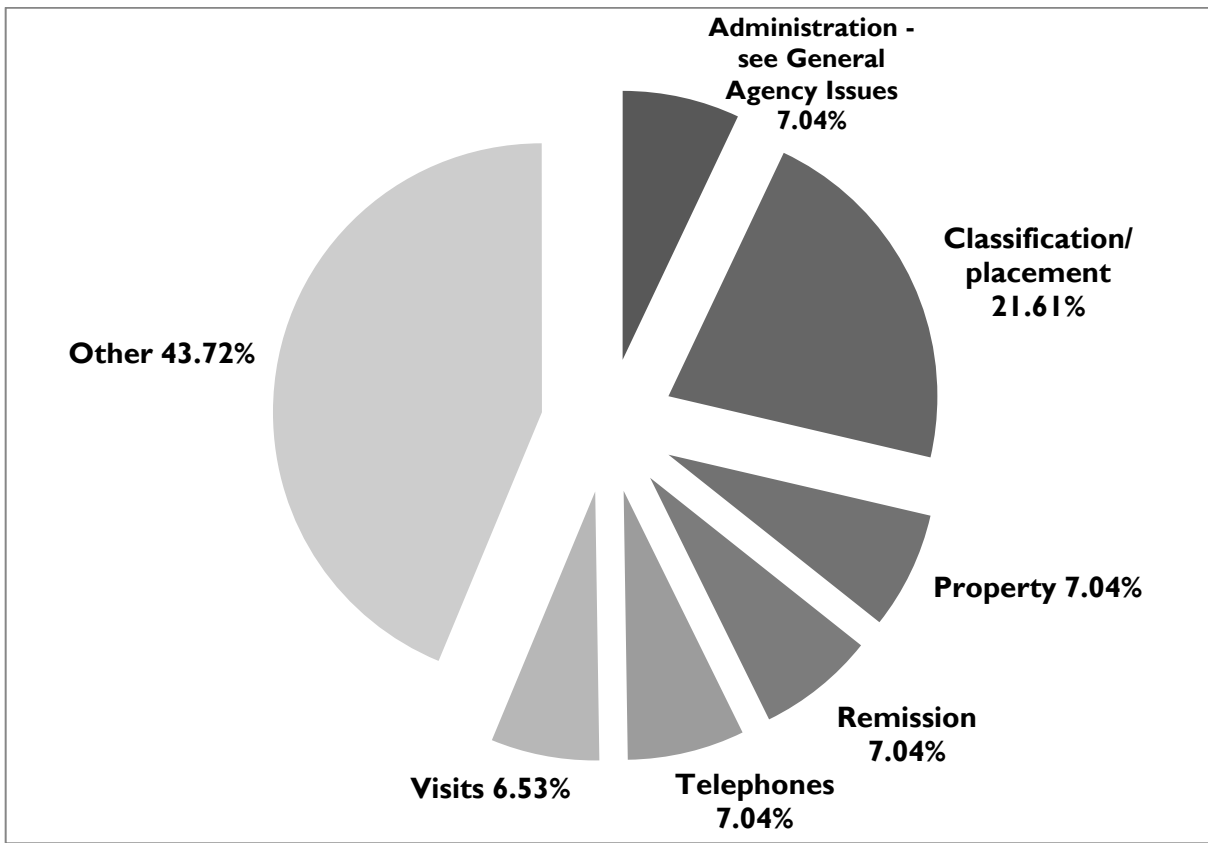
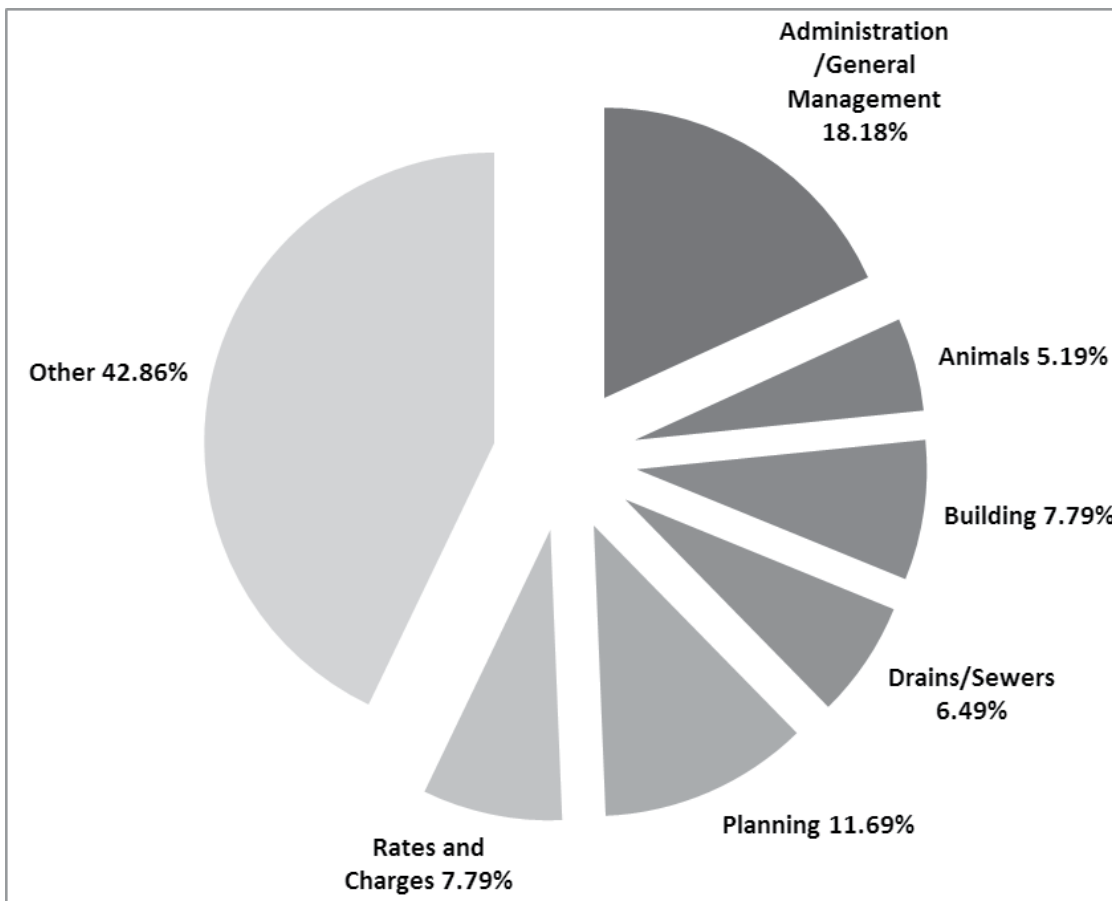


Figure 8. What were the main issues against local councils?



**APPENDIX B: STATISTICS - FREEDOM OF INFORMATION ACT AND RIGHT TO INFORMATION ACT**

Table 1. RTI Outcomes

Decision	2012-13	2013-14
Agency Decision Affirmed	10	11
Agency Decision Varied	9	6
Agency Decision Set Aside	3	4
Other	25	11
<b>Total</b>	<b>47</b>	<b>32</b>

Table 2. RTI Reviews against state government departments

Department	Applications Received 2012-13	Applications Received 2013-14	Closed 2013-14	Reviews Undertaken	Agency Decisions Varied
Economic Development, Tourism & the Arts	1	0	1	1	1
Education (Dept of)	0	1	1		
Health and Human Services (Dept of)	4	8	10	7	2
Infrastructure, Energy & Resources (Dept of)	1	1	1	1	1
Justice (Dept of)	6	6	3	2	1
Police and Emergency Management (Dept of)	2	5	4	2	
Premier and Cabinet (Dept of)	1	1	2	2	
Primary Industries, Parks, Water and Environment (Dept of)	1	2	0		

Department	Applications Received 2012-13	Applications Received 2013-14	Closed 2013-14	Reviews Undertaken	Agency Decisions Varied
<b>Sub-total</b>	16	24	22	15	5

Table 3. Reviews against local government

Councils	Applications Received 2012-13	Applications Received 2013-14	Closed 2013-14	Reviews Undertaken	Agency Decisions Varied
Break O'Day Council	1	0	0		
Brighton Council	0	0	1		
Devonport City Council	0	1	1	1	
George Town Council	0	0	1	1	
Glamorgan/Spring Bay Council	0	1	0		
Hobart City Council	0	0	1	1	
Launceston City Council	0	1	1	1	
Northern Midlands Council	1	0	0		
Waratah/Wynyard Council	0	1	0		
<b>Sub-total</b>	2	4	5	4	

Table 4. RTI Reviews against statutory authorities

Statutory Authorities and Other Bodies	Applications Received 2012-13	Applications Received 2013-14	Closed 2013-14	Reviews Undertaken	Agency Decisions Varied
Aurora Energy	2	0	2	1	1
Copping Refuse Disposal Site Joint Authority	0	1	1		
Forestry Tasmania	0	2	0		
Hydro Tasmania	0	0	1	1	
Metro Tasmania	1	1	0		
TT Line	0	2	1		
<b>Sub-total</b>	<b>3</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>1</b>
<b>GRAND TOTAL (Tables 2-4)</b>	<b>21</b>	<b>34</b>	<b>32</b>	<b>21</b>	<b>6</b>

## APPENDIX C: STATISTICS – ENERGY OMBUDSMAN ACT

Table 1. Enquiry Activity

	2012-13	2013-14	Variance
Enquiries opened and closed in the period	232	163	-30%
Out of jurisdiction enquiries	28	97	246%
<b>Total enquiries</b>	<b>260</b>	<b>260</b>	<b>0%</b>

Table 2. Complaint Activity

	2012-13	2013-14	Variance
Carried forward from previous period	30	22	-27%
Opened in period	461	460	-1%
Closed in period	469	474	1%
Carried forward (still open)	22	8	-37%

Table 3. Closure reasons by entity

Closure Reason	Aurora - Network	Aurora - Retail	Hydro Tasmania	Tas Gas Retail	TasNetworks	Out of Jurisdiction	Grand Total
Complaints referred to higher level	7	35					42
No further investigation - fair/reasonable offer	11	29					40
No further investigation - insufficient grounds/not warranted	2	12					14
No further investigation - no further contact from customer	3	25					28
No further investigation - withdrawn by customer	6	4				1	11
Out of Jurisdiction	2	6				22	30
Resolved – facilitated resolution	59	206	2	4	2		273
Resolved - negotiated resolution	9	26				1	36
<b>GRAND TOTAL</b>	<b>99</b>	<b>343</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>24</b>	<b>474</b>



Table 4. Issues by category

Category	Issue	2012-13	2013-14	
Billing	Backbill	2	5	
	Delay	6	8	
	Error	29	14	
	Estimation	67	57	
	Fees & charges	24	22	
	High	83	99	
	Meter	7	10	
	Other	32	53	
	Rebate / concession	11	10	
	Refund	3	1	
	Tariff	16	18	
	<b>Sub-total</b>		<b>280</b>	<b>297</b>
	Credit	Collection	8	5
Disconnection / restriction		34	39	
Payment difficulties		28	23	
<b>Sub-total</b>		<b>70</b>	<b>67</b>	
Customer service	Failure to consult / inform	2	1	
	Failure to respond	15	13	
	Incorrect advice / information	14	14	
	Poor / unprofessional attitude	2	1	
	Poor service	19	12	
	Privacy	2	1	
	<b>Sub-total</b>	<b>54</b>	<b>42</b>	
General	Energy / water	13	4	
	<b>Sub-total</b>	<b>13</b>	<b>4</b>	

<b>Category</b>	<b>Issue</b>	<b>2012-13</b>	<b>2013-14</b>
Land	Easement	1	1
	Network assets	7	9
	Other	8	4
	Vegetation management	3	2
	<b>Sub-total</b>	<b>19</b>	<b>16</b>
Marketing	Misleading	0	2
	<b>Sub-total</b>	<b>0</b>	<b>2</b>
Provision	Disconnection / restriction	5	6
	Existing connection	18	14
	New connection	24	31
	<b>Sub-total</b>	<b>47</b>	<b>51</b>
Supply	Off supply (planned)	4	2
	Off supply (unplanned)	9	26
	Variation	8	1
	<b>Sub-total</b>	<b>21</b>	<b>29</b>
<b>GRAND TOTAL</b>		<b>504</b>	<b>508</b>

Figure 1. Time taken to resolve complaints

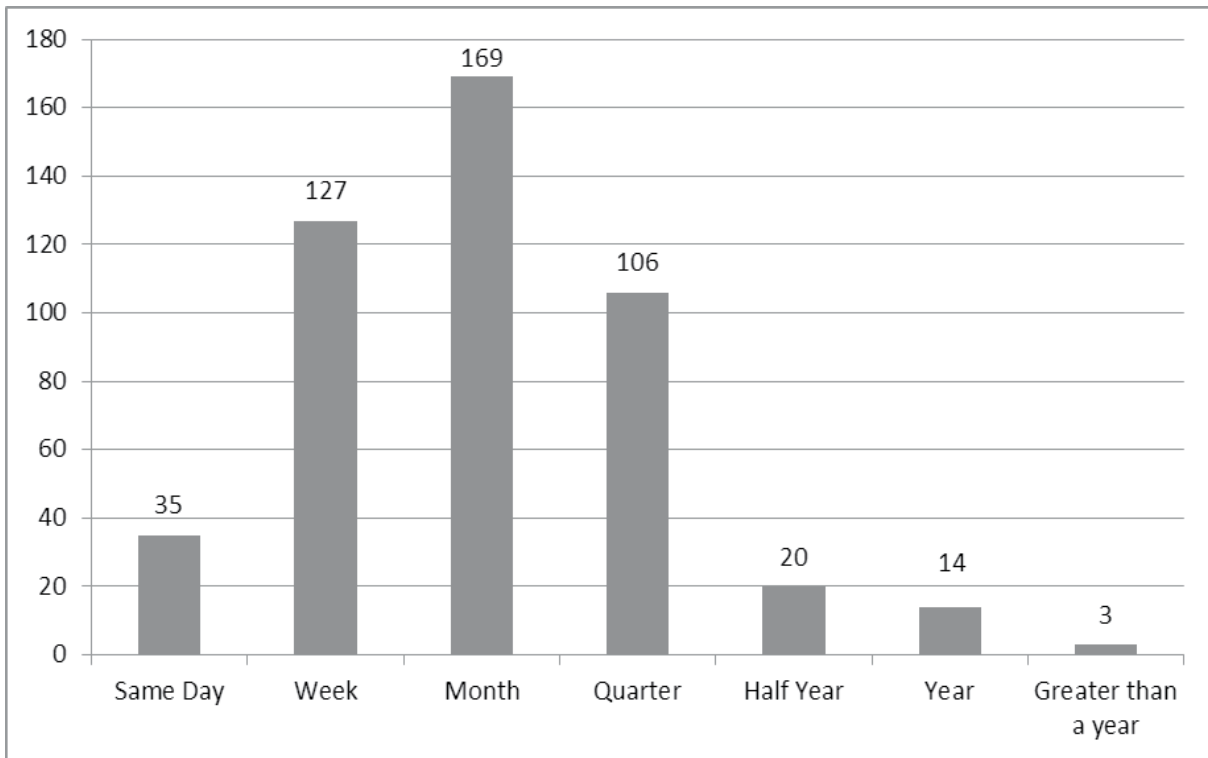


Figure 2. Complaints resolved within 90 days

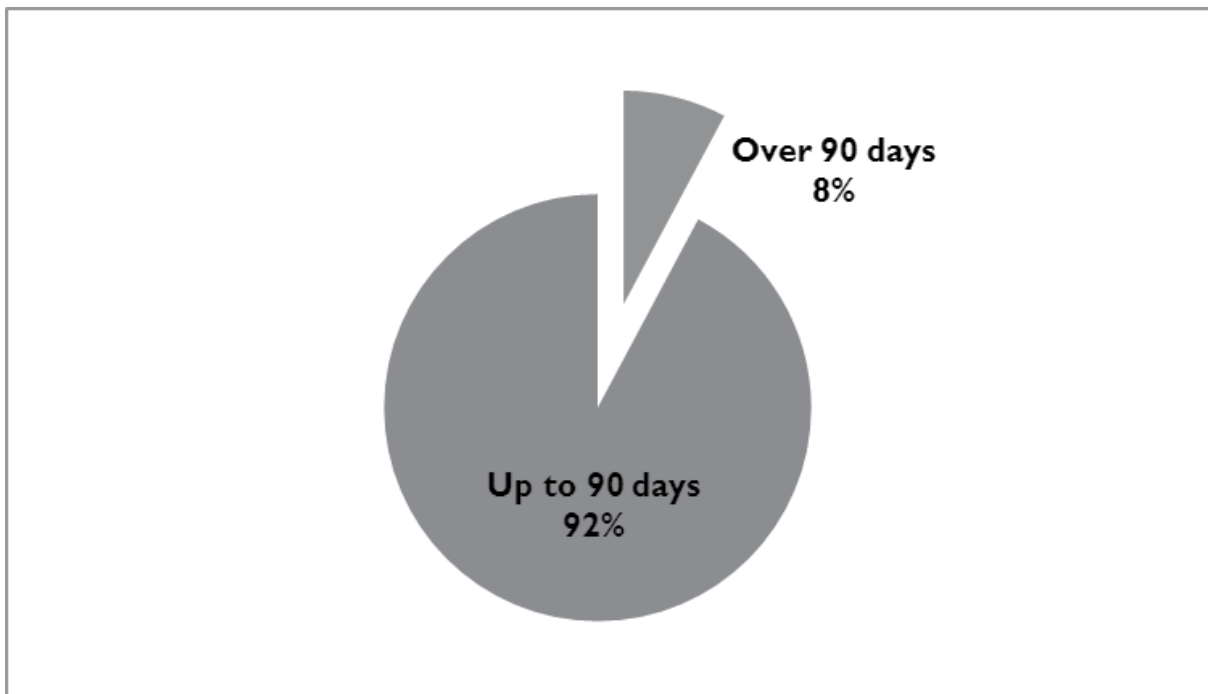
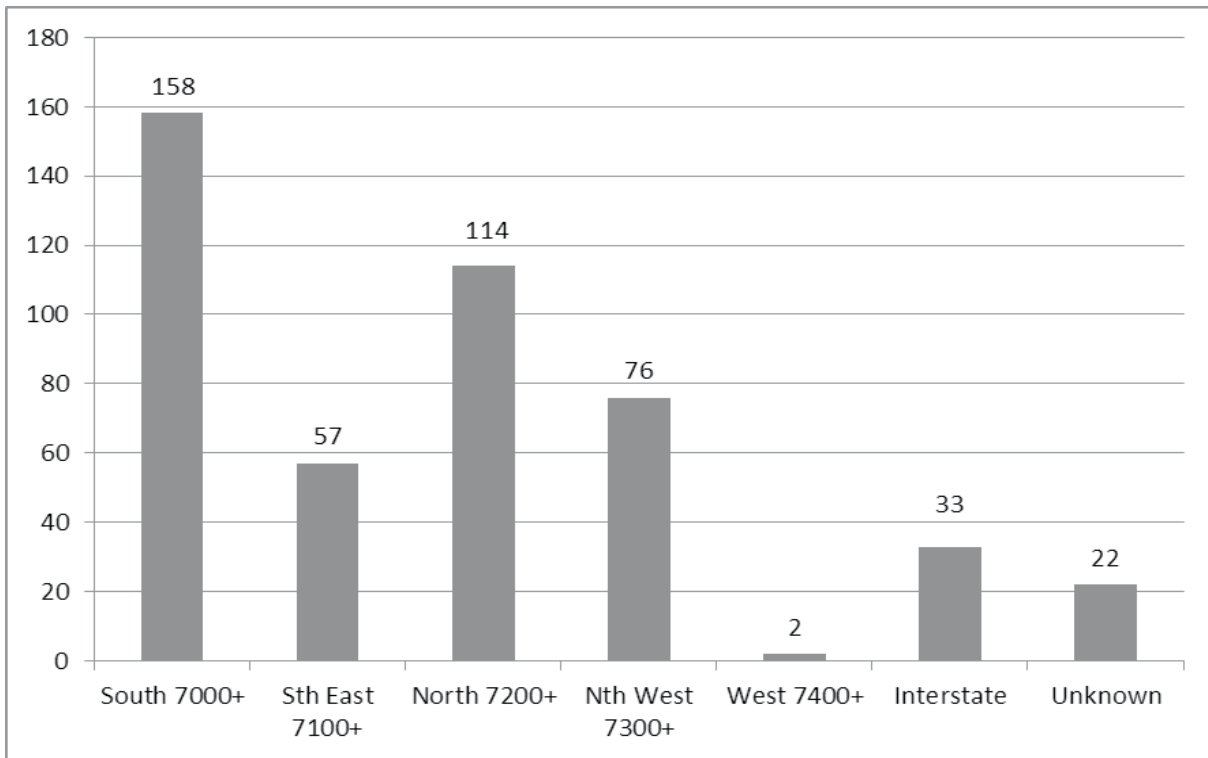


Figure 3. Geographical location of complainants

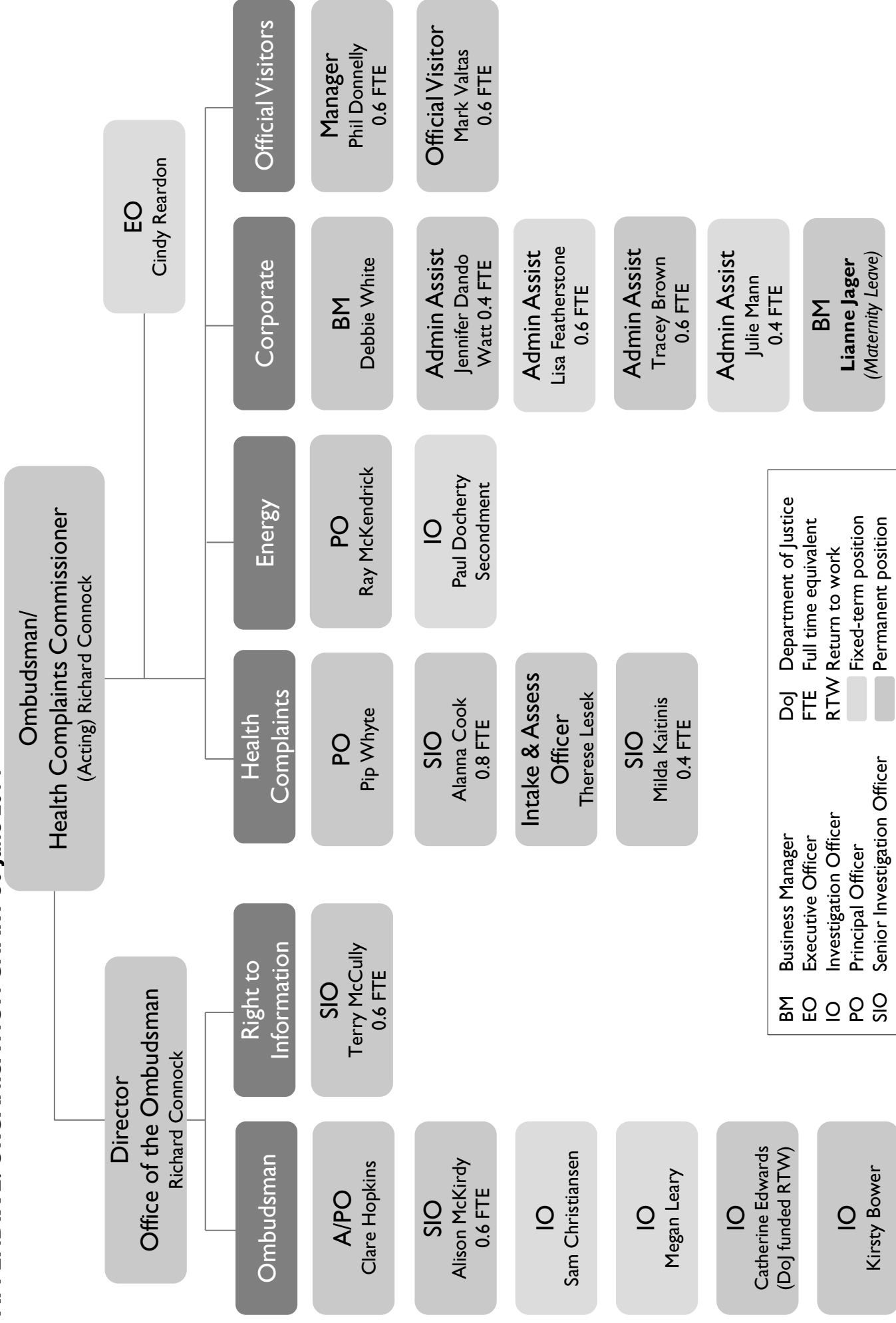


## **APPENDIX D: CONTRACTS AND CONSULTANCIES AWARDED**

The Office of the Ombudsman and Health Complaints Commissioner ensures that Tasmanian businesses are given every opportunity to compete for Agency business. It is the Office's policy to support Tasmanian businesses whenever they offer best value for money for the Government.

In 2013/14, the direct sourcing of Professor Tony Bell's consulting services was arranged. This arrangement initially allowed us to test the efficacy of using specialist medical advice and it became very clear that input from a specialist such as Professor Bell significantly improved the quality of the assessment work done by the Health Complaints team. Professor Bell provided consulting services to our Office throughout the year on an ongoing basis.

**APPENDIX E: ORGANISATION CHART 30 June 2014**



BM	Business Manager	Doj	Department of Justice
EO	Executive Officer	FTE	Full time equivalent
IO	Investigation Officer	RTW	Return to work
PO	Principal Officer	■	Fixed-term position
SIO	Senior Investigation Officer	■	Permanent position

## **APPENDIX F: Financial Statements 2013-14**

Office of the Ombudsman and  
Health Complaints Commissioner

Financial Statements 2013-14

---

# Table of Contents

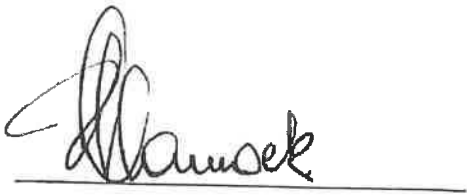
Statement by Head of Agency and Principal Accounting Officer	3
Office of the Ombudsman and Health Complaints Commissioner Statement of Comprehensive Income for the year ended 30 June 2014	4
Office of the Ombudsman and Health Complaints Commissioner Statement of Financial Position as at 30 June 2014	5
Office of the Ombudsman and Health Complaints Commissioner Statement of Cash Flows for the year ended 30 June 2014	6
Office of the Ombudsman and Health Complaints Commissioner Statement of Changes in Equity for the year ended 30 June 2014	7
Notes to and forming part of the Financial Statements for the year ended 30 June 2014	8



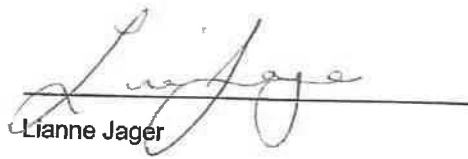
## Statement by Head of Agency and Principal Accounting Officer

The accompanying Financial Statements of the Office of the Ombudsman and Health Complaints Commissioner are in agreement with the relevant accounts and records and have been prepared in compliance with Treasurer's Instructions issued under the provision of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2014 and the financial position as at the end of the year.

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



Richard Connock  
HEAD OF AGENCY



Lianne Jager  
BUSINESS MANAGER

12 August 2014

Office of the Ombudsman and Health Complaints Commissioner  
Statement of Comprehensive Income for the year ended  
30 June 2014

	Notes	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
<b>Continuing operations</b>				
<b>Revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue - recurrent	1.6(a), 3.1	2 076	1 974	2 011
Other revenue from Government	1.6(a), 3.1	-	-	39
Revenue from Energy Entities	1.6(b), 3.2	639	618	503
Other revenue	1.6(c), 3.3	-	19	127
<b>Total revenue and other income from transactions</b>		<b>2 715</b>	<b>2 611</b>	<b>2 680</b>
<b>Expenses from transactions</b>				
Employee benefits	1.7(a), 4.1	2 124	1 823	2 007
Depreciation and amortisation	1.7(b), 4.2	27	28	48
Supplies and consumables	4.3	587	483	506
Other expenses	1.7(c), 4.4	68	81	107
<b>Total expenses from transactions</b>		<b>2 806</b>	<b>2 415</b>	<b>2 668</b>
<b>Net result from transactions (net operating balance)</b>		<b>(91)</b>	<b>196</b>	<b>12</b>
<b>Comprehensive result</b>		<b>(91)</b>	<b>196</b>	<b>12</b>

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.

# Office of the Ombudsman and Health Complaints Commissioner

## Statement of Financial Position as at 30 June 2014

	Notes	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
<b>Assets</b>				
<i>Financial assets</i>				
Cash and deposits	1.9(a), 8.1	157	376	208
Receivables	1.9(b), 5.1	68	1	3
Other financial assets	1.9(e)	-	-	-
<i>Non-financial assets</i>				
Property, plant and equipment	1.9(c), 5.2	46	46	53
Intangibles	1.9(d), 5.3	18	33	54
<b>Total assets</b>		<b>289</b>	<b>456</b>	<b>318</b>
<b>Liabilities</b>				
Payables	1.10(a), 6.1	24	2	10
Employee benefits	1.10(b), 6.2	431	326	438
Other liabilities	1.10(d), 6.3	4	62	-
<b>Total liabilities</b>		<b>459</b>	<b>390</b>	<b>448</b>
<b>Net assets (liabilities)</b>		<b>(170)</b>	<b>66</b>	<b>(130)</b>
<b>Equity</b>				
Accumulated funds		(170)	66	(130)
<b>Total equity</b>		<b>(170)</b>	<b>66</b>	<b>(130)</b>

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.

# Office of the Ombudsman and Health Complaints Commissioner

## Statement of Cash Flows for the year ended 30 June 2014

		2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
	<b>Notes</b>	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>				
<b>Cash inflows</b>				
Appropriation receipts – recurrent		2 076	2 036	2 011
GST receipts		-	47	113
Other cash receipts		639	637	630
<b>Total cash inflows</b>		<b>2 715</b>	<b>2 720</b>	<b>2 754</b>
<b>Cash outflows</b>				
Employee benefits		(1 897)	(1 738)	(1 782)
Superannuation		(210)	(196)	(193)
GST payments		-	(46)	(49)
Supplies and consumables		(587)	(491)	(509)
Other cash payments		(68)	(81)	(111)
<b>Total cash outflows</b>		<b>(2 762)</b>	<b>(2 552)</b>	<b>(2 644)</b>
<b>Net cash from (used by) operating activities</b>	8.2	<b>(47)</b>	<b>168</b>	<b>110</b>
<b>Net increase (decrease) in cash held and cash equivalents</b>		<b>(47)</b>	<b>168</b>	<b>110</b>
<b>Cash and deposits at the beginning of the reporting period</b>		<b>204</b>	<b>208</b>	<b>98</b>
<b>Cash and deposits at the end of the reporting period</b>	8.1	<b>157</b>	<b>376</b>	<b>208</b>

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.

Office of the Ombudsman and Health Complaints Commissioner  
Statement of Changes in Equity for the year ended 30 June 2014

	Accumulated surplus / deficit \$'000	Total equity \$'000
<b>Balance as at 1 July 2013</b>	(130)	(130)
Total comprehensive result	196	196
Total	<u>196</u>	<u>196</u>
<b>Balance as at 30 June 2014</b>	<u>66</u>	<u>66</u>

	Accumulated surplus / deficit \$'000	Total equity \$'000
<b>Balance as at 1 July 2012</b>	(142)	(142)
Total comprehensive result	12	12
Total	<u>12</u>	<u>12</u>
<b>Balance as at 30 June 2013</b>	<u>(130)</u>	<u>(130)</u>

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Notes to and forming part of the Financial Statements for the year ended 30 June 2014

<b>Note 1</b>	<b>Significant Accounting Policies</b>	<b>10</b>
1.1	Objectives and Funding .....	10
1.2	Basis of Accounting .....	10
1.3	Reporting Entity .....	10
1.4	Functional and Presentation Currency .....	10
1.5	Changes in Accounting Policies .....	11
1.6	Income from Transactions .....	11
1.7	Expenses from Transactions .....	12
1.8	Other Economic Flows Included in Net Result .....	12
1.9	Assets .....	13
1.10	Liabilities .....	14
1.11	Leases .....	15
1.12	Judgements and Assumptions .....	15
1.13	Foreign Currency .....	15
1.14	Comparative Figures .....	15
1.15	Budget Information .....	16
1.16	Rounding .....	16
1.17	Office Taxation .....	16
1.18	Goods and Services Tax .....	16
<b>Note 2</b>	<b>Explanations of Material Variances between Budget and Actual Outcomes</b>	<b>17</b>
2.1	Statement of Comprehensive Income .....	17
2.2	Statement of Financial Position .....	17
2.3	Statement of Cash Flows .....	18
<b>Note 3</b>	<b>Income from transactions</b>	<b>18</b>
3.1	Revenue from Government .....	18
3.2	Revenue from Energy Entities .....	18
3.3	Other Revenue .....	18
<b>Note 4</b>	<b>Expenses from transactions</b>	<b>19</b>
4.1	Employee Benefits .....	19
4.2	Depreciation and Amortisation .....	19
4.3	Supplies and Consumables .....	20
4.4	Other Expenses .....	20
<b>Note 5</b>	<b>Assets</b>	<b>21</b>
5.1	Receivables .....	21
5.2	Property, Plant and Equipment .....	21
5.3	Intangibles .....	21
<b>Note 6</b>	<b>Liabilities</b>	<b>23</b>
6.1	Payables .....	23

6.2	Employee Benefits .....	23
6.3	Other Liabilities .....	23
<b>Note 7</b>	<b>Commitments and Contingencies</b>	<b>24</b>
7.1	Schedule of Commitments .....	24
7.2	Contingent Assets and Liabilities .....	24
<b>Note 8</b>	<b>Cash Flow Reconciliation</b>	<b>25</b>
8.1	Cash and Deposits .....	25
8.2	Reconciliation of Net Result to Net Cash from Operating Activities .....	25
<b>Note 9</b>	<b>Financial Instruments</b>	<b>26</b>
9.1	Risk Exposures .....	26
9.2	Categories of Financial Assets and Liabilities .....	27
9.3	Comparison between Carrying Amount and Net Fair Values of Financial Assets and Liabilities .....	28
9.4	Net Fair Value of Financial Assets and Liabilities .....	28
<b>Note 10</b>	<b>Output Group Information</b>	<b>30</b>
<b>Note 11</b>	<b>Events Occurring After Balance Date</b>	<b>30</b>

## Note 1 Significant Accounting Policies

### 1.1 Objectives and Funding

The Office of the Ombudsman and Health Complaints Commissioner (the Office) operates under the *Ombudsman Act 1978* and is responsible for the enquiry and investigation into complaints regarding the administrative actions of Tasmanian government agencies, local councils and a broad range of other public authorities. The Ombudsman also has a number of other responsibilities including being the Health Complaints Commissioner under the *Health Complaints Act 1995*, and the Energy Ombudsman under the *Energy Ombudsman Act 1998*. The Office therefore also investigates complaints under these Acts.

By providing impartial investigations and seeking to resolve individual grievances, the Office aims to:

- promote fairness and equity;
- improve the quality of public administration; and
- improve health and energy services provided to the Tasmanian community.

The Office activities are classified as controlled as they involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Office in its own right.

The Office is predominantly funded through Parliamentary appropriations. The financial report encompasses all funds through which the Office controls resources to carry on its functions.

### 1.2 Basis of Accounting

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards (AAS) issued by the Australian Accounting Standards Board (AASB) and Interpretations; and
- The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The Financial Statements were signed by the Head of Agency and Business Manager on 12 August 2014.

Compliance with the AAS may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Office is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 1.5.

The Financial Statements have been prepared as a going concern. The continued existence of the Office in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations by Parliament for the Office's administration and activities.

### 1.3 Reporting Entity

The Financial Statements include all the controlled activities of the Office. The Financial Statements consolidate material transactions and balances of the Office.

### 1.4 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is the Office's functional currency.



## 1.5 Changes in Accounting Policies

### (a) Impact of new and revised Accounting Standards

In the current year, the Office has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- AASB 2011-8 replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as a result of AASB 13.
- AASB 119 *Employee Benefits* (2011-10 *Amendments to Australian Accounting Standards arising from AASB 119*) – This Standard supersedes AASB 119 *Employee Benefits*, introducing a number of changes to accounting treatments. The Standard was issued in September 2013. There is no financial impact.
- 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]* – This Standard makes amendments to AASB 7 and AASB 132 as a consequence of the issuance of amendments to IFRS 7 by the International Accounting Standards Board in December 2011. There is no financial impact.
- 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8]* – This Standard makes amendments to various standards as a consequence of the issuance of International Financial Reporting Standard Mandatory Effective Date and Transition Disclosures (Amendments to IFRS 9 and IFRS 7) by the International Accounting Standards Board in December 2011. There is no financial impact.

AASB 2013-2 *Amendments to Australian Accounting Standards - Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]* – This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.

### (b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- AASB 9 *Financial Instruments* – This Standard supersedes AASB 139 *Financial Instruments: recognition and Measurement*, introducing a number of changes to accounting treatments. The Standard was reissued in December 2010. The Standard was issued in August 2011 and is available from 1 January 2017 for application by not-for-profit entities. The application or potential impact of the Standard has not yet been determined.
- AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]* – This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There will be no financial impact.
- AASB 2013-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]* – This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There will be no financial impact.

## 1.6 Income from Transactions

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

#### **(a) Revenue from Government**

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Office gains control of the appropriated funds.

#### **(b) Revenue from Energy Entities**

Revenue from energy entities is recognised in the period in which the Office gains control of the funds. A membership fee is payable by each energy entity, within the meaning of the *Energy Ombudsman Act 1998*. A complaint levy is payable based on the number of complaints and enquiries received by the Ombudsman against an entity during the previous calendar year, as a proportion of the total number of complaints and enquiries received by the Ombudsman during that period.

#### **(c) Other revenue**

Revenue from sources other than those identified above are recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

### **1.7 Expenses from Transactions**

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

#### **(a) Employee benefits**

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

#### **(b) Depreciation and amortisation**

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Depreciation is provided for on a straight line basis, using rates which are reviewed annually. Major depreciation periods are:

Leasehold Improvements            10 years

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Office. Resolve, the Case Management System software, TRIM, the document and records management system, and the Office websites are amortised on a straight-line basis over 5 years.

#### **(c) Other expenses**

Expenses from activities other than those identified above are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

### **1.8 Other Economic Flows Included in Net Result**

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

#### **(a) Gain/(loss) on sale of non-financial assets**

Gains or losses from the sale of Non-financial assets are recognised when control of the assets has passed to the buyer.

#### **(b) Impairment – Financial assets**

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that there are any financial assets that are impaired. A financial asset is considered to be impaired if objective

evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss, in respect of a financial asset measured at amortised cost, is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate when it can be reliably measured.

All impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

#### **(c) Impairment – Non-financial assets**

All non-financial assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. The Office's assets are not used for the purpose of generating cash flows; therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

All impairment losses are recognised in Statement of Comprehensive Income.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **(d) Other gains/(losses) from other economic flows**

Other gains/(losses) from other economic flows includes gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present values of the long service leave liability due to changes in the bond interest rate.

### **1.9 Assets**

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Office and the asset has a cost or value that can be measured reliably.

#### **(a) Cash and deposits**

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

#### **(b) Receivables**

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

#### **(c) Property, plant and equipment**

##### *(i) Valuation basis*

All Non-current physical assets are recorded at historic cost less accumulated depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

### *(ii) Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Office and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

### *(iii) Asset recognition threshold*

The asset capitalisation threshold adopted by the Office is \$10,000. Assets valued at less than \$10,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

### **(d) Intangibles**

An intangible asset is recognised where:

- it is probable that an expected future benefit attributable to the asset will flow to the Office; and
- the cost of the asset can be reliably measured.

The development costs towards the installation of RESOLVE (the Office's case management system) are recognised as an intangible asset and are currently valued at cost. The system went live and the asset was commissioned in mid-October 2008 at which point amortisation commenced.

The implementation costs of the Office websites are recognised as an intangible asset and are currently valued at cost. The websites were launched and the asset commissioned on 1 July 2010 at which point amortisation commenced.

The implementation costs of TRIM (the Office's document and records management system) are recognised as an intangible asset and are currently valued at cost. The Office went live with TRIM and the asset was commissioned in April 2011 at which point amortisation commenced.

### **(e) Other financial assets**

Other financial assets comprise prepayments. Prepayments relate to actual transactions that are recorded at cost with the asset at balance date representing the un-utilised component of the prepayment.

## **1.10 Liabilities**

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

### **(a) Payables**

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Office becomes obliged to make future payments as a result of a purchase of assets or services.

### **(b) Employee benefits**

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June 2014, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

### **(c) Superannuation**

#### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

#### *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Office does not recognise a liability for the accruing superannuation benefits of Office employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

### **(d) Other liabilities**

Other liabilities are recognised in the Statement of Financial Position when it is probable that the outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

#### **1.11 Leases**

The Office has entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

The Office is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

#### **1.12 Judgements and Assumptions**

In the application of Australian Accounting Standards, the Office is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where estimates of any material amount are made regularly relate to the carrying amount of receivables, refer note 1.8(b) and 1.9(b), depreciation and amortisation, refer note 1.7(b) and the provision for employee benefits, refer notes 1.10(b) and 1.10(d)

The Office has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### **1.13 Foreign Currency**

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

#### **1.14 Comparative Figures**

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at Note 1.5.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

### **1.15 Budget Information**

Budget information refers to original estimates as disclosed in the 2013-14 Budget Papers and is not subject to audit.

### **1.16 Rounding**

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar.

### **1.17 Office Taxation**

The Office is exempt from all forms of taxation except Fringe Benefits Tax, and is not registered for the Goods and Services Tax. All taxation issues are managed by the Department of Justice on the Office's behalf.

### **1.18 Goods and Services Tax**

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

## Note 2 Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$25,000.

### 2.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Employee benefits	(a)	2 124	1 823	(301)	(14)
Supplies & consumables	(b)	587	483	(104)	(18)

#### Notes to Statement of Comprehensive Income variances

- (a) Employee benefits expense was less than budgeted due to a number of vacant positions existing throughout the year including Director, Senior Investigation and Review Officer and a Health Complaints Investigation Officer. The reduced expense is also attributed to a staff training budget that was not fully utilised.
- (b) The variance in actual Supplies and Consumables is related to numerous expenses not occurring – primarily VOIP cabling costs not transpiring, planned Resolve application maintenance not carried out, reduced equipment rental costs and consultant fees not being invoiced this financial year.

### 2.2 Statement of Financial Position

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash and deposits	(a)	157	376	219	>100
Receivables	(b)	68	1	(67)	(98)
Employee benefits	(c)	431	326	(105)	(24)
Other Liabilities	(d)	-	62	62	>100

#### Notes to Statement of Financial Position variances

- (a) End of year cash and deposits was significantly higher than expected – due to lower salaries and wages and supplies and consumables expenses and a carry forward of \$62,000 allocated for specific expenses in 2014-15.
- (b) Receivables were reduced due to timing of GST Input Tax Credit transactions at year end. This GST account is a control account used between Justice and the Office.
- (c) The employee benefits liability reduced with a considerable amount of long service leave being taken throughout the year and the resignation of a staff member that held substantial long service leave and annual leave balances.
- (d) This variance is a result of carrying forward \$62,000 of Appropriation revenue – recurrent from 2013-14 which will be recognised in 2014-15.

## 2.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
GST receipts	(a)	-	47	47	>100
GST payments	(a)	-	46	46	>100

### Notes to Statement of Cash Flows variances

- (a) All taxation issues are managed by the Department of Justice on the Office's behalf. No budget for GST receipts or GST payments was included in the original budget.

## Note 3 Income from transactions

### 3.1 Revenue from Government

Revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A(2) of the *Public Account Act 1986* and Items Reserved by Law.

The Budget information is based on original estimates and has not been subject to audit.

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Appropriation revenue - recurrent			
Current year	2 076	1 974	2 011
<b>Total</b>	<b>2 076</b>	<b>1 974</b>	<b>2 011</b>
Revenue from Government – other			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	-	-	39
<b>Total</b>	<b>2 076</b>	<b>-</b>	<b>39</b>
<b>Total revenue from Government</b>	<b>2 076</b>	<b>1 974</b>	<b>2 050</b>

### 3.2 Revenue from Energy Entities

	2014 \$'000	2013 \$'000
Energy Entities Membership and Complaint Levy Fees	618	503
<b>Total</b>	<b>618</b>	<b>503</b>

### 3.3 Other Revenue

	2014 \$'000	2013 \$'000
Commonwealth Ombudsman Funding	19	19
Other revenue	-	108
<b>Total</b>	<b>19</b>	<b>127</b>



## Note 4 Expenses from transactions

### 4.1 Employee Benefits

	2014	2013
	\$'000	\$'000
Wages and salaries	1 600	1 785
Superannuation – defined contribution scheme	173	159
Superannuation – defined benefit scheme	23	33
Other employee expenses	27	30
<b>Total</b>	<b>1 823</b>	<b>2 007</b>

Superannuation expenses relating to defined benefits schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution at 30 June 2014 is 12.5 per cent of salary (12.5 per cent at 30 June 2013). During 2012-13 the Australian Government introduced a phased increase in the superannuation guarantee rate from 9 per cent to 12 per cent over the seven years ending 2019-20. This results in the Office's employer contribution rising to, 13.0 per cent from 1 July 2014, and increasing 0.5 per cent per annum through to 15.5 per cent from 1 July 2019.

Superannuation expenses relating to defined contribution schemes are paid directly to the superannuation fund at a rate of 9.25 per cent of salary. In addition, departments (including the Office) are also required to pay to Treasury a "gap" payment equivalent to 3.5 per cent of salary in respect of employees who are members of the contribution schemes.

### 4.2 Depreciation and Amortisation

#### (a) Depreciation

	2014	2013
	\$'000	\$'000
Leasehold improvements	7	7
<b>Total</b>	<b>7</b>	<b>7</b>

#### (b) Amortisation

	2014	2013
	\$'000	\$'000
Intangibles	21	41
<b>Total</b>	<b>21</b>	<b>41</b>
<b>Total depreciation and amortisation</b>	<b>28</b>	<b>48</b>

#### 4.3 Supplies and Consumables

---

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Audit fees – financial audit <sup>1</sup>	3	21
Operating lease costs	268	276
Consultants	23	10
Property services	14	13
Maintenance	-	1
Communications	33	41
Information technology	88	90
Travel and transport	30	23
Advertising and promotion	-	-
Printing	1	3
Other supplies and consumables	23	28
<b>Total</b>	<b>483</b>	<b>506</b>

---

1. Fees for the audit of the Office's financial statements for 2013-14 were \$8,740 (2012-13, \$8,440).

#### 4.4 Other Expenses

---

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Salary on-costs	-	30
Other expenses	81	77
<b>Total</b>	<b>81</b>	<b>107</b>

---

## Note 5 Assets

### 5.1 Receivables

	2014 \$'000	2013 \$'000
Receivables	1	3
Less: Provision for impairment	-	-
<b>Total</b>	<b>1</b>	<b>3</b>
Settled within 12 months	1	3
<b>Total</b>	<b>1</b>	<b>3</b>

### 5.2 Property, Plant and Equipment

#### (a) Carrying amount

	2014 \$'000	2013 \$'000
<b>Leasehold Improvements</b>		
At cost	69	69
Less: Accumulated depreciation	(23)	(16)
<b>Total</b>	<b>46</b>	<b>53</b>
<b>Total property, plant and equipment</b>	<b>46</b>	<b>53</b>

#### (b) Reconciliation of movements

	2014 \$'000	2013 \$'000
<b>Carrying amount at 1 July</b>	<b>53</b>	<b>60</b>
Depreciation	(7)	(7)
<b>Carrying amount at 30 June</b>	<b>46</b>	<b>53</b>

### 5.3 Intangibles

#### (a) Carrying amount

	2014 \$'000	2013 \$'000
<b>Intangibles with a finite useful life</b>		
At cost (Resolve Case Management System)	182	182
At cost (Office Websites)	41	41
At cost (TRIM – Document and Records Management System)	17	17
Less: Accumulated amortisation	(207)	(186)
<b>Total intangibles</b>	<b>33</b>	<b>54</b>

(b) Reconciliation of movements

	2014	2013
	\$'000	\$'000
<b>Carrying amount at 1 July</b>	<u>54</u>	<u>95</u>
Amortisation expense	(21)	(41)
<b>Carrying amount at 30 June</b>	<u>33</u>	<u>54</u>

## Note 6 Liabilities

### 6.1 Payables

	2014	2013
	\$'000	\$'000
Accrued expenses	2	10
<b>Total</b>	<b>2</b>	<b>10</b>
Settled within 12 months	2	10
<b>Total</b>	<b>2</b>	<b>10</b>

Settlement is usually made within 30 days.

### 6.2 Employee Benefits

	2014	2013
	\$'000	\$'000
Accrued salaries	52	51
Annual leave	76	123
Long service leave	198	264
<b>Total</b>	<b>326</b>	<b>438</b>
Settled within 12 months	131	175
Settled in more than 12 months	195	263
<b>Total</b>	<b>326</b>	<b>438</b>

### 6.3 Other Liabilities

	2014	2013
	\$'000	\$'000
<b>Revenue received in advance</b>		
Appropriation carried forward from current and previous years under section 8A of the <i>Public Account Act 1986</i>	62	-
<b>Total</b>	<b>62</b>	<b>-</b>
Settled within 12 months	62	-
<b>Total</b>	<b>62</b>	<b>-</b>

## Note 7 Commitments and Contingencies

### 7.1 Schedule of Commitments

	2014	2013
	\$'000	\$'000
<b>By type</b>		
<i>Lease Commitments</i>		
Operating leases	358	684
<i>Total lease commitments</i>	<b>358</b>	<b>684</b>
<i>Other commitments</i>		
Resolve Case Management System Maintenance	9	9
Service Level Agreement	-	-
<i>Total other commitments</i>	<b>9</b>	<b>9</b>
<b>By maturity</b>		
<i>Operating lease commitments</i>		
One year or less	282	317
From one to five years	76	367
<i>Total operating lease commitments</i>	<b>358</b>	<b>684</b>
<i>Other commitments</i>		
One year or less	9	9
From one to five years	-	-
<i>Total other commitments</i>	<b>9</b>	<b>9</b>
<b>Total</b>	<b>367</b>	<b>693</b>

The Operating Lease commitments include buildings, motor vehicles and information technology equipment leases. All amounts shown are exclusive of GST.

### 7.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

#### (a) Quantifiable contingencies

A quantifiable contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

At 30 June 2014 the Office had no contingent assets or liabilities.

## Note 8 Cash Flow Reconciliation

### 8.1 Cash and Deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Office, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2014	2013
	\$'000	\$'000
<b>Special Deposits and Trust Fund balance</b>		
T528 Office of the Ombudsman Operating Account	376	208
<b>Total cash and deposits</b>	<b>376</b>	<b>208</b>

### 8.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2014	2013
	\$'000	\$'000
Net result	196	12
Depreciation and Amortisation	28	48
Decrease (increase) in Receivables	2	65
Increase (decrease) in Employee entitlements	(112)	41
Increase (decrease) in Payables	(8)	(14)
Increase (decrease) in Other liabilities	62	(42)
<b>Net cash from (used by) operating activities</b>	<b>168</b>	<b>110</b>

## Note 9 Financial Instruments

### 9.1 Risk Exposures

#### (a) Risk management policies

The Office has exposure to the following risks from its use of financial instruments:

- credit risk; and
- liquidity risk.

The Head of Agency has overall responsibility for the establishment and oversight of the Office's risk management framework. Risk management policies are established to identify and analyse risks faced by the Office, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

#### (b) Credit risk exposures

Credit risk is the risk of financial loss to the Office if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
<b>Financial Assets</b>		
Receivables	Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.	It is Office policy to issue invoices with 30 day terms of trade.
Cash and deposits	Deposits are recognised at amortised cost, being their face value.	Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund.

The following tables analyse financial assets that are past due but not impaired

#### Analysis of financial assets that are past due at 30 June 2014 but not impaired

	Past due 30 days	Total
	\$'000	\$'000
Receivables	-	-

#### Analysis of financial assets that are past due at 30 June 2013 but not impaired

	Past due 30 days	Total
	\$'000	\$'000
Receivables	3	3



### (c) Liquidity risk

Liquidity risk is the risk that the Office will not be able to meet its financial obligations as they fall due. The Office's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
<b>Financial Liabilities</b>		
Payables	Payables are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Office becomes obliged to make future payments as a result of a purchase of assets or services.	Payables, including goods received and services incurred but not yet invoiced arise when the Office becomes obliged to make future payments as a result of a purchase of assets or services. The Office's terms of trade are 30 days.

Monitoring of revenue and expenditure forecasts and current cash balances is undertaken by the Office on a monthly basis.

The following tables detail the undiscounted cash flows payable by the Office by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

#### 2014

	Maturity analysis for financial liabilities		
	1 Year	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000
<b>Financial liabilities</b>			
Payables	2	2	2
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>

#### 2013

	Maturity analysis for financial liabilities		
	1 Year	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000
<b>Financial liabilities</b>			
Payables	10	10	10
<b>Total</b>	<b>10</b>	<b>10</b>	<b>10</b>

### 9.2 Categories of Financial Assets and Liabilities

	2014	2013
	\$'000	\$'000
<b>Financial assets</b>		
Cash and cash equivalents	376	208
Receivables	1	3
<b>Total</b>	<b>377</b>	<b>211</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	2	10
<b>Total</b>	<b>2</b>	<b>10</b>

### 9.3 Comparison between Carrying Amount and Net Fair Values of Financial Assets and Liabilities

	Carrying Amount 2014 \$'000	Net Fair Value 2014 \$'000	Carrying Amount 2013 \$'000	Net Fair Value 2013 \$'000
<b>Financial assets</b>				
Cash in Special Deposits and Trust Fund	376	376	208	208
Receivables	1	1	3	3
<b>Total financial assets</b>	<b>377</b>	<b>377</b>	<b>211</b>	<b>211</b>
<b>Financial liabilities</b>				
Trade creditors	2	2	10	10
<b>Total financial liabilities</b>	<b>2</b>	<b>2</b>	<b>10</b>	<b>10</b>

The Office does not have any financial assets or financial liabilities carried at fair value through the profit and loss or any available for sale financial assets.

### 9.4 Net Fair Value of Financial Assets and Liabilities

#### 2014

	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial assets</b>				
Cash and deposits	376	-	-	376
Receivables	1	-	-	1
<b>Total financial assets</b>	<b>377</b>			<b>377</b>
<b>Financial liabilities</b>				
Payables	2	-	-	2
<b>Total financial liabilities</b>	<b>2</b>			<b>2</b>

#### 2013

	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial assets</b>				
Cash and deposits	208	-	-	208
Receivables	3	-	-	3
<b>Total financial assets</b>	<b>211</b>			<b>211</b>
<b>Financial liabilities</b>				
Payables	10	-	-	10
<b>Total financial liabilities</b>	<b>10</b>			<b>10</b>

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. The Office uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets;
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

#### *Financial Assets*

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair value of receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

#### *Financial Liabilities*

The net fair values for trade creditors are approximated by their carrying amounts.

## **Note 10    Output Group Information**

The Office of the Ombudsman and Health Complaints Commissioner is a single Output which is the fulfilment of the statutory responsibilities of the Ombudsman and Health Complaints Commissioner. The summary budgeted and actual revenues and expenses for this Output are the same as in the Statement of Comprehensive Income and the net assets are the same as the Statement of Financial Position. As a result the inclusion of a separate Output Schedule is not necessary.

## **Note 11    Events Occurring After Balance Date**

There have been no events subsequent to balance date which would have a material effect on the Office's Financial Statements as at 30 June 2014.

## **Appendix G: Independent Auditors Report**

Independent Auditors Report on  
Financial Statements 2013-14

Office of the Ombudsman and  
Health Complaints Commissioner



**Independent Auditor's Report**

**To Members of the Tasmanian Parliament**

**Office of the Ombudsman and Health Complaints Commissioner**

**Financial Report for the Year Ended 30 June 2014**

**Report on the Financial Report**

I have audited the accompanying financial report of the Office of the Ombudsman and Health Complaints Commissioner (the Office), which comprises the statement of financial position as at 30 June 2014 and the statements of comprehensive income changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Ombudsman and Health Complaints Commissioner as the Head of Agency.

**Auditor's Opinion**

In my opinion the Office's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2014, and its financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

*The Responsibility of the Head of Agency for the Financial Report*

The Head of Agency is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

...1 of 2

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Head of Agency's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Head of Agency, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

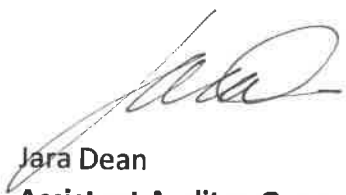
My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Office's financial report.

### **Independence**

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

### **Tasmanian Audit Office**



Jara Dean  
**Assistant Auditor-General Financial Audit**  
**Delegate of the Auditor-General**

Hobart  
17 September 2014

...2 of 2