





Mr Speaker

We submit to you our report for the year 1 July 2013 to 30 June 2014.

**Dame Beverley Wakem DNZM, CBE**  
Chief Ombudsman

**Professor Ron Paterson**  
Ombudsman

2013/2014  
Report of the Ombudsman  
Tari o te Kaitiaki Mana Tangata  
for the year ended 30 June 2014

*Presented to the  
House of Representatives  
pursuant to section 29  
of the Ombudsmen Act 1975*



# Contents

1 : 2013/14 at a glance	5
2 : Introduction	9
3 : Background	13
4 : Report on operations	21
5 : Organisational health and capability	59
6 : Financial and performance information	67
<b>Independent Auditor's Report</b>	<b>69</b>
7 : Analysis, statistics and directory	101





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# Part 1

## 2013/14 at a glance

# 1

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Overview	6
Ombudsmen Act	6
Official information	6
Crimes of Torture Act	7
United Nations Convention on the Rights of Persons with Disabilities	7
Policy and professional practice	7

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## Overview

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- Received 11,044 complaints and other work,<sup>1</sup> the second highest amount ever received, and 13% higher than the average amount of work received over the past 10 years
- Completed 11,505 complaints and other work, 19% more than the average amount of work completed over the past 10 years
- Finished the year with 1,602 complaints and other work on hand, down from 2,072 the previous year
- Completed 461 more complaints and other work in the reporting year than we received
- Obtained remedies for the benefit of public administration in 91 cases, almost 3 times as many as in the previous reporting year<sup>2</sup>
- Struggled to meet some timeliness targets for completed complaints, given the volume of work on hand
- Improved the age profile of work on hand, with 51% of complaints and other contacts open as at 30 June 2014 aged 6 months or less, compared with 38% the previous year

## Ombudsmen Act (OA)

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- Received 2,478 OA complaints and 6,032 other contacts concerning OA matters
- Completed 2,510 OA complaints and 6,056 other contacts concerning OA matters
- In total, completed 9,622 OA complaints and other contacts concerning all matters,<sup>3</sup> 20% more than the average amount completed over the past 10 years
- Resolved 222 cases<sup>4</sup>
- Provided advice and assistance in 2,579 cases
- Formally investigated 276 complaints, and formed 126 final opinions
- Identified administrative deficiency in 34 complaints, or 27% of all complaints where a final opinion was formed
- Made 11 recommendations
- Obtained remedies for the benefit of the individual concerned in 240 cases
- Obtained remedies for the benefit of public administration in 55 cases, a significant increase from 18 cases in the previous reporting year
- Monitored investigations into 14 deaths in custody
- Assessed 40 serious incidents in prisons, commencing an investigation in 1 case, and concluding investigations in 2 cases

## Official information (OIA and LGOIMA)

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- Received 1,207 OIA complaints, comparable with 2011/12 numbers,<sup>5</sup> and 11% more than the average amount received over the past 10 years

<sup>1</sup> Including complaints, other contacts, deaths in custody and other work.

<sup>2</sup> 34 cases.

<sup>3</sup> In previous years, other contacts were not differentiated by the type of matter they concerned, and so previous years reported on other contacts concerning all matters.

<sup>4</sup> "Cases" refers to OA complaints and other contacts concerning OA matters.

<sup>5</sup> The total number of complaints received in 2012/13 included 1,012 complaints made by one complainant against separate agencies, and so is not a useful comparison.

- Received 246 LGOIMA complaints
- Completed 1,856 complaints, 403 more than received in the reporting year
- Resolved 644 complaints, or 35% of all complaints completed
- Investigated 672 complaints, and formed 306 final opinions
- Identified administrative deficiency in 185 complaints, or 60% of all complaints where a final opinion was formed
- Made 14 recommendations
- Obtained remedies for the benefit of the individual concerned in 677 cases
- Obtained remedies for the benefit of public administration in 36 cases, a significant increase from 16 cases in the previous reporting year

## Crimes of Torture Act

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- Visited 37 places of detention, including 22 full inspections
- 44% of visits to places of detention were unannounced
- Made 80 recommendations for improvement, 65 of which were accepted or partially accepted

## United Nations Convention on the Rights of Persons with Disabilities

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- Contributed to the second report of the Independent Monitoring Mechanism, *Making Disability Rights Real*
- Received 16 complaints and other contacts which raised issues relevant to the Disabilities Convention
- Actively considered the welfare of people with disabilities in prisons and other institutions and places of detention

## Policy and professional practice

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- Advised on 27 legislative, policy and administrative proposals relevant to our jurisdiction
- Made and published submissions on the Environment Reporting Bill and the Building (Earthquake-prone Buildings) Amendment Bill
- Provided informal advice on 103 occasions to state sector agencies, mainly in relation to the processing of official information requests
- Advised the Secretary of Transport on 8 applications for authorised access to personal information on the motor vehicle register
- Conducted 36 workshops and training seminars for state sector agencies, and delivered 44 presentations, on the role of the Ombudsman and the operation of the official information legislation
- Published 15 new or updated guidance materials on our new website, including Ombudsman opinions
- Nationwide survey showed 69% awareness of the Ombudsman by the New Zealand public







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Part 2  
Introduction

2

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## Introduction



**Dame Beverley Wakem DNZM, CBE**  
Chief Ombudsman



**Professor Ron Paterson**  
Ombudsman

### Meeting the challenge

This year we have begun to reap the benefits of the additional resources granted to us by Parliament for the 2013/14 year onwards, which has enabled us to appoint additional staff to progress the amount of work we are receiving.

For the first time since an unprecedented increase in our workload began in 2011/12, we have been able to reduce our backlog. In 2013/14 we completed more work than we received and we also improved the overall age profile of our ongoing work on hand. This is largely due to our increased resources and the efficiency gains from the structural and procedural changes we have implemented over the past few years.

However, these achievements have not come without some pain. Our performance this year has not met our expectations for the timeframes within which some types of work should be completed. In particular, we were not able to complete most of our priority investigations within the 6 month target timeframe that we were aiming for. We recognise the significant efforts of our staff who have worked extremely hard this year to progress a large volume of work and to respond to ongoing queries from complainants whose patience was, at times, understandably running out.

Overall, we ended the year in much better shape than we started, with 6 additional Investigators appointed and beginning to assist in progressing significant amounts of work, and 1,602 complaints and other work on hand, down from 2,072 the previous year. We managed this while dealing with the second largest amount of work we have ever received, completing 19% more work than the average amount completed each year over the past 10 years.

### Good government

We have also seen a significant impact on good government arising from our work this year, with remedies for the benefit of public administration being obtained in 91 cases, almost 3 times as many as in the previous reporting year. This reflects our new strategic direction, with an overall emphasis on contributing to the following intermediate outcomes:

- government is increasingly fair, responsive and reasonable;
- state sector agencies are progressively more open and transparent;
- the public is informed and better able to participate in government decision making; and
- state sector agencies are increasingly more accountable.

Our interventions have resulted in public administration improvements in a wide variety of areas across a number of agencies, including:

- changes in law, policy, practice or procedure;
- agency agreements to review law, policy, practice or procedure;
- the provision of guidance or training to agency staff; and
- the provision of additional resources.

Significant changes brought about by our interventions include:

- improved resourcing and procedures to enable the Earthquake Commission to effectively manage the large volume of information requests arising from the Canterbury earthquakes; and
- a review of 1,155 visa applications by Immigration New Zealand, coupled with an overall review of relevant policies, procedures and training for immigration staff.

Our advice services were also in high demand, with a significant increase in requests for us to provide training and presentations on the official information legislation, good decision making, effective complaint handling and the role of an Ombudsman.

## Outcomes for individuals

As well as assisting to improve public administration overall, we also achieved remedies for the benefit of the individual concerned in 919 cases, including:

- changed decisions;
- reconsidered decisions;
- reasons or explanations for decisions;
- rectification of omissions;
- financial remedies; and
- apologies.

## Looking forward

Overall, this year has seen significant progress made in effectively managing our work, so that we can achieve our purpose to investigate, review and inspect the administrative conduct of state sector agencies and provide advice and guidance, in order to ensure people are treated fairly in New Zealand.

With our well established complaint handling practices, the structural changes now in place to support our new strategic direction, and the support from Parliament in the form of additional funding, we are looking forward to meeting the challenges of the future.





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## Part 3 Background

# 3

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Nature and scope of the Ombudsman’s functions	14
Outcomes and impacts sought by the Ombudsman	16
Ombudsman outcomes framework	19

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## Nature and scope of the Ombudsman's functions

The Ombudsmen are Officers of Parliament. Each Ombudsman is appointed by the Governor-General on the recommendation of Parliament. We are responsible to Parliament and independent of the Government.

### Our purpose

Our overall purpose is to investigate, review and inspect the administrative conduct of state sector agencies and provide advice and guidance, in order to ensure people are treated fairly in New Zealand.

### Legislative functions

Our main functions under legislation are to:

- investigate state sector administration and decision making;<sup>6</sup>
- investigate and review decisions made on requests to access official information;<sup>7</sup>
- deal with requests for advice and guidance about alleged serious wrongdoing;<sup>8</sup>
- monitor and inspect places of detention for cruel and inhuman treatment;<sup>9</sup> and
- provide comment to the Ministry of Transport on applications for authorised access to personal information on the motor vehicle register.<sup>10</sup>

In carrying out our functions, we provide Parliament and the New Zealand public with an independent and impartial check on the quality, fairness and integrity of state sector administrative conduct. By contributing to wider administrative improvement in the state sector, we can help to reduce overall downstream costs, caused by poor decision making and ineffective administrative processes.

### What is the state sector?

We have authority to investigate approximately 4,000 entities in the state sector, including:

- government departments and ministries;
- local authorities;
- crown entities;
- state-owned enterprises;
- district health boards;
- tertiary education institutions;
- school boards of trustees; and
- Ministers of the Crown (in relation to decisions on requests for official information).

<sup>6</sup> Under the Ombudsmen Act 1975.

<sup>7</sup> Under the Official Information Act 1982 and the Local Government Official Information and Meetings Act 1987.

<sup>8</sup> Under the Protected Disclosures Act 2000.

<sup>9</sup> Under the Crimes of Torture Act 1989.

<sup>10</sup> Under section 241 of the Land Transport Act 1998.

## International responsibilities

Two of our functions have international responsibilities.

We carry out our function to monitor and inspect certain places of detention under the Crimes of Torture Act 1989 as a *National Preventive Mechanism*. The Crimes of Torture Act fulfils New Zealand's responsibilities under the *United Nations Optional Protocol to the Convention Against Torture*.

We are also part of an *Independent Monitoring Mechanism* protecting and monitoring the implementation of the *United Nations Convention on the Rights of Persons with Disabilities* (the Disabilities Convention). We carry out this role by investigating relevant state sector administrative conduct.

## Other functions

To complement and support our main functions under legislation, we are increasingly taking steps to:

- provide advice and guidance to state sector agencies in order to improve state sector capability in areas relevant to our role; and
- improve public awareness and accessibility of our services.



## Outcomes and impacts sought by the Ombudsman

Our strategic direction is:

- guided by the legislative functions assigned to us by Parliament; and
- informed by the current environment and the Government's strategic direction.

In essence, our functions cover a range of key democratic measures aimed at safeguarding the rights of individuals and increasing government transparency and accountability. The overall outcome we contribute to is maintaining a high level of public trust in government.

Our *Outcomes Framework* on page 18 demonstrates the linkages between the services we deliver through our outputs, and the outcomes and impacts we are seeking to achieve.



Figure 1: The overall impact of our work

### Impacts

The impacts we seek to achieve are:

- improved administration and decision making in state sector agencies;
- official information increasingly available and public assured access is not denied unnecessarily;
- serious wrongdoing brought to light and investigated by appropriate authorities; and
- people in detention treated humanely.

We have 2 high level measures of our impacts. These relate to the overall status of New Zealand society and the state sector, to which we are but one contributing factor.

Our first impact measure is that the overall quality of public services improves over time. We measure this through the Kiwis Count Survey which is administered by the State Services Commission. Our target is for the public services to achieve an overall quality score higher than 74 points (equivalent to the score achieved in September 2012). The quality score in March 2014 of this reporting year was 72 points, remaining steady with the March 2013 score.

Our second impact measure is that New Zealand is rated as one of the leading countries in public service probity as measured by the Transparency International Corruption Perceptions Index. Our target is for New Zealand to be in the top 3 ranked countries over the next 5 years. In 2013, New Zealand ranked first equal with Denmark.



## Outputs

In order to achieve these impacts, as well as our overall outcomes, we carry out work under 6 output areas. These are set out below, and our achievement in these areas is detailed in Part 4 (with detailed statistics in Parts 6 and 7).

### **Investigate state sector administration and decision making**

We seek to improve administration and decision making in state sector agencies, primarily by undertaking investigations under the Ombudsmen Act 1975. This may be in response to complaints or on the Ombudsman's own motion, particularly where systemic or wider public interest issues are raised.

We have particular responsibilities in the corrections sector and in relation to people with disabilities. In the corrections sector, we monitor all death in custody investigations conducted by the Department of Corrections and we investigate selected serious incidents in prisons. In relation to people with disabilities, we investigate issues relating to the implementation of the Disabilities Convention.

### **Investigate and review official information decisions**

We seek to increase transparency, accountability and public participation in government decision making, primarily by undertaking investigations and reviews to ensure compliance with the official information legislation.

### **Deal with requests for advice and guidance about serious wrongdoing**

We perform advisory, referral and investigative functions under the Protected Disclosures Act 2000 to ensure:

- people who are concerned about serious wrongdoing can seek advice;
- people feel confident enough to raise their concerns through the appropriate channels; and
- legitimate concerns are investigated by appropriate authorities.

### **Monitor and inspect places of detention**

We seek to ensure people in detention are treated humanely, by:

- monitoring and inspecting prisons, immigration detention facilities, health and disability places of detention, child care and protection residences and youth justice residences; and
- making recommendations to improve the conditions of detention and the treatment of detainees.

### **Improve state sector capability in areas relevant to our jurisdiction**

Although investigation is one way of contributing to improvements in state sector administration, we also seek to be more proactive in assisting agencies before things go wrong and we are asked to investigate. We do this by:



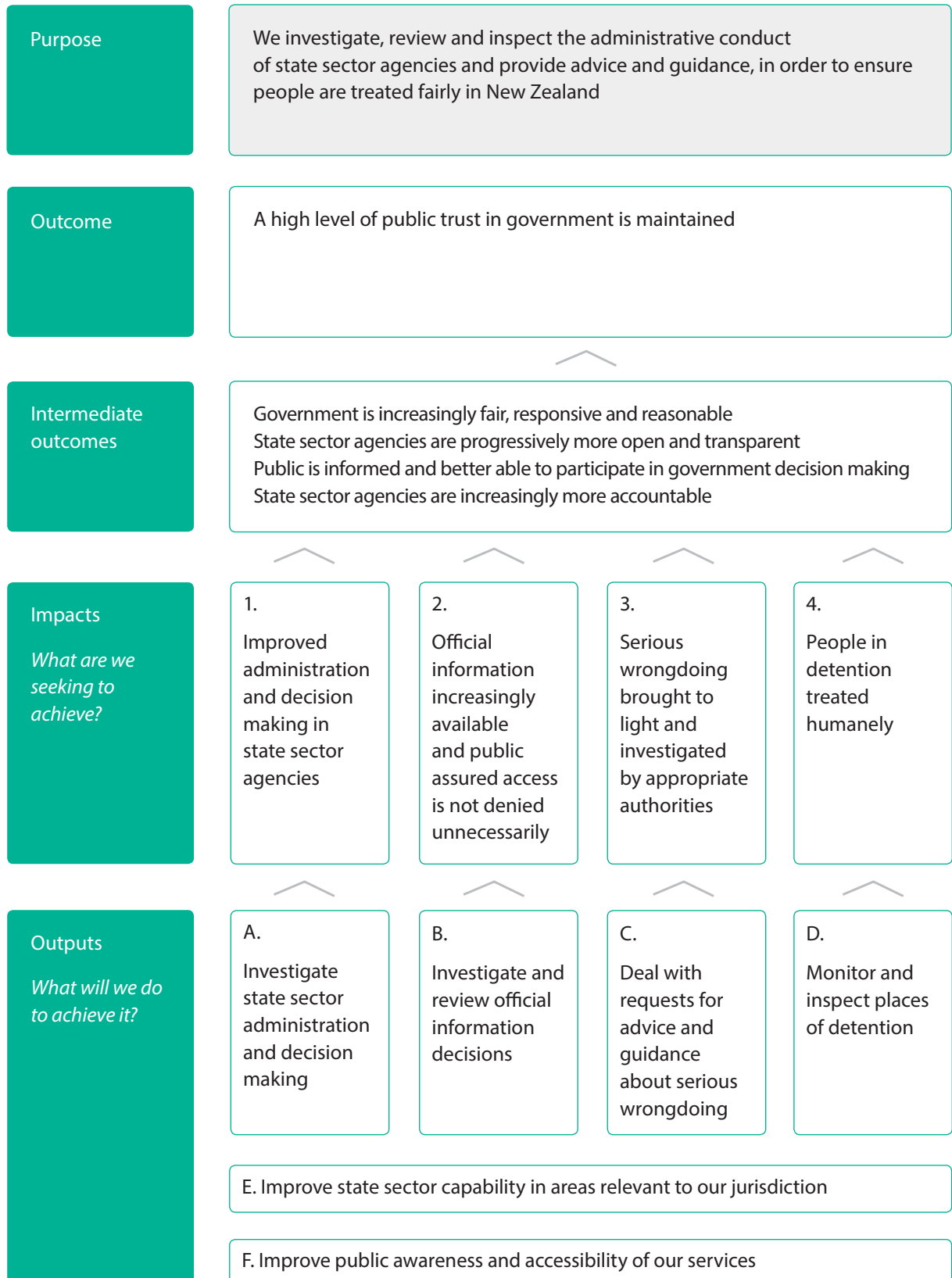
- reviewing and commenting on legislative, policy and procedural matters to ensure they:
  - reflect good administrative practice;
  - promote good decision making; and
  - are consistent with the principles of open and transparent government;
- providing advice, guidance and training to state sector agencies to help them:
  - develop and implement good administrative and complaints handling practices;
  - comply with their obligations under the official information legislation; and
  - consider the proactive disclosure of official information where appropriate to reduce the administrative burden and transaction costs of reacting to individual requests for similar information.

### **Improve public awareness and accessibility of our services**

We aim to improve awareness amongst New Zealanders of our role, and make access to our services and resources easy for all.

We undertake a range of public awareness-related activities, including giving speeches and presentations, publishing information and maintaining a website so that people can access our information and resources electronically.

## Ombudsman outcomes framework







# Part 4

## Report on operations

# 4

Ombudsmen Act	22
Official information	33
Protected Disclosures Act	40
Crimes of Torture Act	41
United Nations Convention on the Rights of Persons with Disabilities	49
Policy and professional practice	53



## Ombudsmen Act

In this section we give an overview of our complaints handling work under the Ombudsmen Act (OA), including responding to other contacts. Detailed statistics can be found in Part 7.

### The numbers

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We treat matters as formal “*complaints*” once they have been put in writing. However, we also deal with a large number of oral complaints and enquiries from members of the public, mainly over the telephone or by prison visit, prior to a complaint being made to us in writing. While we term these matters “*other contacts*”, our staff spend a significant amount of time providing advice and assistance, and resolving these matters.

For the first time, this reporting year we have recorded the other contacts received in terms of their subject matter, which has enabled an accurate count of the number of other contacts received concerning OA matters.

We received a total of 8,510 OA complaints and other contacts concerning OA matters in 2013/14. The total received is made up of:

- 2,478 complaints; and
- 6,032 other contacts.

The number of complaints received dropped by 10% compared to 2012/13, returning to a similar number of complaints as received in 2011/12.

We completed a total of 8,566 OA complaints and other contacts concerning OA matters in 2013/14. The total completed is made up of:

- 2,510 complaints; and
- 6,056 other contacts.

We finished the reporting year with 647 complaints on hand, as opposed to 687 in the previous year. We also managed to complete 56 more OA complaints and other contacts concerning OA matters than we received in the reporting year.

### The complainants

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The OA is primarily used by individual members of the public. This reflects the intent of the legislation, which is to provide recourse for people personally affected by the administrative conduct of state sector agencies. In 2013/14, 77% of OA complaints were from individual members of the public and 19% were from prisoners or prisoner advocates.<sup>11</sup> Only 3% of OA complaints were made by corporate entities, media, special interest groups and trade unions.

<sup>11</sup> Not all against the Department of Corrections.

In terms of other contacts concerning OA matters, 54% were from individual members of the public and 46% were from prisoners or prisoner advocates.<sup>12</sup> The higher proportion of other contacts received from prisoners reflects the fact that many matters of concern to prisoners are raised with us and resolved immediately by telephone or prison visit.

## The agencies

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Half of the OA complaints received (47%) were made against central government departments. Other state sector agencies accounted for 29% of OA complaints, and 13% were made against local government agencies.

The agencies generating significant numbers of complaints tend to be ones that interact with, and impact upon, large numbers of people, such as the Department of Corrections, the Earthquake Commission, the Ministry of Business, Innovation and Employment (Immigration New Zealand), the Ministry of Social Development and the Inland Revenue Department.

Most other contacts (63%) concerned central government departments. The Department of Corrections alone accounted for 49% of other contacts. This shows that dealing with prisoner matters is a large part of the work we do in responding to and resolving matters by telephone.

Other state sector agencies accounted for 16% of other contacts, and 5% concerned local government agencies. Dealing with other contacts is less resource intensive than dealing with the complaints we receive, but we are still able to provide effective assistance and resolution of concerns.

## The outcomes

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### Complaints

Not all OA complaints we receive require formal investigation. In 590 cases (24% of the total completed during 2013/14) our role was to provide an explanation, advice or assistance to complainants about the most appropriate way of addressing their concerns.

We advised complainants in 695 cases<sup>13</sup> to raise their complaint with the state sector agency of concern in the first instance. We also declined to investigate in 195 cases<sup>14</sup> where there was another remedy or right of appeal available to the complainant. A further 366 complaints<sup>15</sup> were not within our jurisdiction.

We were able to resolve 191 complaints<sup>16</sup> – in 126 cases before investigation and in 65 cases during an investigation.

<sup>12</sup> Above, n 11.

<sup>13</sup> 28% of cases.

<sup>14</sup> 8% of cases.

<sup>15</sup> 15% of cases.

<sup>16</sup> 8% of cases.



## Processing of visa applications in India

Following the receipt of a number of complaints, Chief Ombudsman Dame Beverley Wakem decided to undertake a systemic investigation into the processing of temporary visa “*partnership*” applications by Immigration New Zealand (INZ).

The applications had been made in India by people seeking to reunite with their partners who were already in New Zealand on student and work visas. In essence, the complaints related to the manner in which INZ was assessing the applicants’ bona fides (genuine intentions to stay temporarily in New Zealand for a lawful purpose).

The Chief Ombudsman contacted the Ministry of Business, Innovation and Employment (of which INZ is a part) to advise that she was considering investigating the India branches’ assessment of bona fides with respect to temporary visa “*partnership*” applications. Following a meeting with the Chief Ombudsman, the Ministry undertook to review how bona fides was assessed by the India branches.

As part of the review, the Ministry considered best practice within the India branches, as well as the information and guidance available to all staff – in India and elsewhere – on how bona fides should be assessed. The Ministry also conducted a review of the applications of various people who had complained to the Chief Ombudsman. The review concluded that there were deficiencies in the India branches’ assessments.

The following outcomes were achieved as a result of the review:

- affected complainants had their applications reassessed;
- the applications of other potentially affected people who had not complained to the Chief Ombudsman, but who met certain agreed criteria, were also reassessed;
- 1,155 applications were reviewed, with:
  - 442 applicants identified as being eligible for reassessment;
  - of the 442 reassessed, 258 applications approved (as at 5 March 2014); and
  - 676 applicants deemed eligible for a refund of their visa application fee.

A review of how bona fides should be assessed was also conducted, as a result of which INZ:

- changed India branch practices and provided training to branch staff;
- reviewed all information across INZ relating to the assessment of bona fides;
- issued a new Internal Administration Circular to provide improved guidance to immigration officers on how bona fides should be assessed; and
- issued guidance reminding immigration officers that a clear link needs to be recorded between information provided and conclusions drawn, and that it may be appropriate in some cases to request further information or comment from applicants even where there may be no obligation to do so.

Given the outcome of the Ministry’s review, the Chief Ombudsman decided that an investigation was no longer necessary and the matter was concluded on that basis.

We commenced formal investigations in 276 cases,<sup>17</sup> and we formed final opinions in 126 cases.<sup>18</sup> In only 34 cases (27% of all those cases where a final opinion was formed), did we identify administrative deficiency by the state sector agency that was the subject of complaint.

<sup>17</sup> 11% of cases.

<sup>18</sup> 5% of cases.



We made formal recommendations in 11 cases. Our recommendations have been accepted in 10 cases, and in 1 case we are awaiting a response from the agency concerned as to whether the recommendation is accepted.

### Compulsory charges for curriculum items

In March 2014, Ombudsman Ron Paterson published an opinion about the decision of a school Board of Trustees to levy compulsory charges for curriculum-related items. The school had charged for workbooks, photocopying and food items used in the delivery of the curriculum.

The Ombudsman concluded that the charges breached section 3 of the Education Act 1989, which provides for a right to free education. He also found that the Board had acted unreasonably by failing to comply with the relevant Ministry of Education circular. The Board accepted the Ombudsman's opinion and discontinued the practice of compulsory charges for curriculum related items.

### Other contacts

In terms of other contacts concerning OA matters, we provided an explanation, advice or assistance in 1,989 cases (33% of the total completed during 2013/14).

We advised individuals in 2,055 cases<sup>19</sup> to raise their complaint with the state sector agency of concern in the first instance. We referred individuals to other complaint agencies in 697 cases,<sup>20</sup> including the Privacy Commissioner, the Health and Disability Commissioner and the Independent Police Conduct Authority. We referred 327 cases<sup>21</sup> directly to a state sector agency for consideration by that agency, and we invited 586 individuals<sup>22</sup> to make a complaint to us in writing.

We were able to resolve 31 cases as a result of direct informal enquiries with the state sector agencies concerned.

## The administrative deficiencies identified

In relation to the OA complaints where we formed a final opinion, we identified:

- 10 cases where there were procedural deficiencies;
- 8 unreasonable, unjust, oppressive or discriminatory acts, omissions or decisions;
- 6 cases of legal or factual error;
- 5 instances of inadequate advice, explanation or reasons;
- 5 cases where there were flawed agency processes or systems;
- 5 cases of unreasonable delay;
- 1 case where a policy had an unreasonable or harsh impact; and
- 1 case where the act or decision was "wrong".

<sup>19</sup> 34% of cases.

<sup>20</sup> 12% of cases.

<sup>21</sup> 5% of cases.

<sup>22</sup> 10% of cases.



## Delays and poor communication affects NZTC investigation

Ombudsman Ron Paterson received a complaint about an investigation conducted by the New Zealand Teachers Council (NZTC) Complaints Assessment Committee (CAC), into conduct issues concerning a teacher. The conduct complained about involved incidents of alleged striking of two primary school students.

The Ombudsman's investigation concerned the NZTC/CAC investigative processes, but not the CAC's decisions arising from its investigation or the incidents leading to it. The Ombudsman considered it was not his role to second-guess the decisions of a regulatory body on issues of professional standards and discipline.

The NZTC's function under section 139A of the Education Act 1989 is to ensure that children in early childhood services and registered schools are safe. At the time of the CAC's investigation, there were only two CAC panels operating, which led to inevitable delays. There are over 100,000 registered teachers in New Zealand and, in the 2012/13 financial year, there were 420 complaints against teachers which required investigation. Some complaints, such as those made against this teacher, raised very serious issues of conduct making the investigative process complex and long.

However, the Ombudsman considered that many of the delays in the CAC's investigation could have been avoided and that the NZTC's internal and external communication was poor. The Ombudsman found that the NZTC/CAC acted unreasonably when it conducted its investigation. The investigative process was characterised by unreasonable delays, lack of clarity about process and poor communication.

The NZTC accepted the Ombudsman's findings, and made changes to reduce delays, and to improve communication, record keeping and progress of files. There are now five CAC panels and a 'case management' system has been established to monitor progress of investigations. The CAC panels are required to work to timeframe targets. These measures should mitigate the poor practices evident in the CAC's investigation in this case.

## The remedies obtained

We obtained remedies for the person concerned in 240 OA complaints and other contacts concerning OA matters,<sup>23</sup> including:

- 71 cases where a decision was reconsidered;
- 59 cases where a decision was changed;
- 42 cases where an omission was rectified;
- 32 cases where reasons or an explanation for a decision was given;
- 19 cases where a financial remedy was provided; and
- 17 cases where an apology was given.

<sup>23</sup> In cases that were both investigated, and resolved informally without investigation.

We also obtained a public administration benefit in 55 cases, with:

- a change in practice or procedure in 32 cases;
- the provision of guidance or training to agency staff in 15 cases;
- agency agreement to review a law, policy, practice or procedure in 5 cases;
- a change in law or policy in 2 cases; and
- the provision of additional resources in 1 case.

The data supports our experience that state sector agencies are generally very receptive to Ombudsman investigations and inquiries, and willingly take the opportunity to examine their conduct and remedy any administrative deficiencies that have occurred.

## Timeliness

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In terms of the new OA complaints received in the 2013/14 year, we met our targets for decision making as to whether an investigation should be undertaken, and for our urgent investigations. However, given the carry-over of a large volume of work received in the previous reporting year, we struggled to meet our timeliness targets for completing OA investigations which were not urgent. We closed or completed:

- 83% of complaints outside our jurisdiction within 1 month of receipt (*target 75%*);
- 79% of complaints that we declined to investigate or resolved informally within 3 months of receipt (*target 72%*);
- 100% of urgent investigations within 4 months of receipt (*target 90%*);
- 43% of priority investigations within 6 months of receipt (*target 70%*);<sup>24</sup> and
- 47% of all other investigations within 12 months of receipt (*target 60%*).

## Work in the Corrections sector

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### OA complaints and other contacts

The Department of Corrections (Corrections) continued to account for a significant proportion of our overall workload, in terms of numbers. In the 2013/14 year we completed 427 OA complaints and 2,928 other contacts concerning OA matters.

The complaints and other contacts were predominantly received from prisoners and prisoner advocates.

Nearly all OA complaints (404) were dealt with by our Prison Investigators. The majority of other contacts concerning OA matters (2,763) were quickly dealt with by our Early Assistance Team over the telephone. Another 155 other contacts concerning OA matters were dealt with by our Prison Investigators, mainly on the spot during prison visits.

<sup>24</sup> Seven OA complaints were investigated as a priority, with 71% completed within 12 months.



## Transgender policy

In February 2012, as part of a wide-ranging *Investigation of the Department of Corrections in relation to the Provision, Access and Availability of Prisoners' Health Services*, Chief Ombudsman Dame Beverley Wakem and Ombudsman David McGee recommended that Corrections review its policy regarding the placement of transgender prisoners. Corrections' transgender policy at that time did not accept or acknowledge prisoners' gender identification.

Corrections accepted the recommendation and a review of the policy was undertaken. In February 2014 Corrections implemented a new policy which allowed for male to female transgender prisoners, who had not completed gender reassignment surgery, to apply to the Chief Executive to be placed at a women's prison. Since the implementation of the policy, two prisoners have been given approval for placement at a women's prison.

Each prison was visited 3-5 times. The most common concerns raised by prisoners related to:

- property (14%);
- transfers and movements (9%);
- communications (8%);
- health services (8%);
- discipline and misconduct (7%); and
- staff conduct and attitudes (7%).

## Education for young prisoners

In 2012, Chief Ombudsman Dame Beverley Wakem commenced an investigation into the accessibility of education by young prisoners, under the age of 20. The investigation concerned the prisoners' ability to enrol in and undertake education.

In 2013, Corrections provided advice in relation to its completed education and youth strategies, and the work it was commencing in the area of prisoner education. The Chief Ombudsman's investigation was paused while this work was undertaken.

Corrections has now:

- established a committee within the Executive Leadership Team to oversee ongoing work in the area of prisoner employment and education;
- established an Expert Advisory Group to assist with work in prisoner education and training;
- established partnerships and engagement with organisations in the education and youth justice sectors, including the Tertiary Education Commission, the New Zealand Teachers Council, Christchurch Polytechnic Institute of Technology, the Open Wananga and Child Youth and Family;
- piloted online learning in prison; and
- established a Prison Libraries Reference Group to advise on the development of a prison library framework.

In light of these developments, the Chief Ombudsman discontinued her investigation in 2014, as she was satisfied with the direction and steps Corrections was taking. However, we will continue to monitor progress in this area.

## Deaths in custody

Our role under the protocol agreed with Corrections is to monitor the investigation of deaths in custody by the Inspectors of Corrections, including deaths by natural causes. We are entitled to be present at all stages of the investigation, to participate in any interviews by the Inspectors, and to access all information held by the Department.

We play an active monitoring role in every investigation, contributing to the effectiveness of the final outcome. That said, the investigation is at all times the responsibility and function of the Inspector, and the Inspector forms his or her own conclusions. Once the Inspector has issued his or her final report, we will comment on the investigation and the Inspector's conclusions to the Chief Executive of Corrections, but we do not direct or instruct the Inspector during the investigation process. If sufficiently concerned about the investigation process, we are able at any time to commence our own independent investigation.

In 2013/14 we commenced monitoring 14 investigations into deaths in custody.

We also completed monitoring 13 investigations into deaths in custody, in relation to 6 deaths in 2013/14, and 7 deaths in 2012/13.

In 10 concluded cases we found the Corrections investigation to be fully satisfactory, and it was unnecessary for us to make any further comments additional to the Inspector's report. In 3 concluded cases we found the Corrections investigation to be fully or substantially satisfactory, but made comments additional to the Inspector's report.

## Serious incidents

Under the protocol with Corrections, we investigate selected serious incidents that occur in prisons. Serious incidents are ones which affect, or potentially affect, the fair, safe, secure and humane treatment of prisoners, including incidents of self-harm, assaults and use of force.

In 2013/14, 40 serious incidents were assessed. In undertaking our assessments, we viewed all incident and follow-up reports by Corrections, and made informal enquiries with the Department. We commenced formal investigations in 2 cases, concerning:

- disorder by a group of prisoners in the Cedar Unit at Tongariro/Rangipo Prison; and
- an incident involving a prison escort bus that broke down on the Desert Road and ensuing disorder by prisoners on the bus.



## Spring Hill riot

On the morning of 1 June 2013, a riot broke out at the Spring Hill Corrections Facility. At the height of the riot, a large fire spread through a high security unit at the prison.

Corrections conducted a formal inquiry into the riot, and Chief Ombudsman Dame Beverley Wakem decided to monitor that inquiry during the reporting year.

Corrections' report concluded that the key triggers of the riot were the availability and consumption of home brew by prisoners, and fighting between prisoners which led to the responding prison staff being assaulted. The Chief Ombudsman accepted the report's findings, but also advised Corrections that the underlying impact of high security, unmotivated prisoners with little access to suitable programmes and who were placed in a unit with a restrictive regime, should not be underestimated.

The Chief Ombudsman noted the remedial action that had taken place following the incident, in particular the strengthening of the Management Team at the prison to provide positive leadership and support.

## Complaints against the Earthquake Commission

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During the 2013/14 year, complaints against the Earthquake Commission (EQC) have continued to be a significant area of our work.

Before the Canterbury earthquakes, we received around 10 - 15 complaints per year concerning EQC. In this reporting year, we received 649 complaints and other contacts concerning EQC, including:

- 233 OA complaints;
- 278 other contacts concerning OA matters;
- 93 Official Information Act (OIA) complaints; and
- 30 other contacts concerning OIA matters.

The total number of matters received this reporting year has eased off slightly from a peak of 838 in 2012/13.

Given the volume of work in this area and the complex and difficult situation facing many complainants, we have continued our flexible process for dealing with EQC complaints. This involves:

- a designated contact person at EQC, who we deal with informally on a daily basis to seek early resolution of complaints;
- regular reporting and discussion with EQC on complaints and other contacts we have received;
- a focus on clarifying with EQC the current status of a claim so that we can inform the complainant of the options open to them, rather than an intensive investigation of EQC's past handling of the claim; and
- retaining the discretion to formally investigate a complaint where we consider that appropriate.

We completed 235 OA complaints against EQC in the 2013/14 year, including:

- 40 complaints that were resolved (either before or during an investigation);
- 15 complaints which we formally investigated;
- 98 complaints where an explanation, advice or assistance was provided; and
- 58 complaints where we advised the complainant to raise their concerns with EQC in the first instance.

We also completed 108 OIA complaints against EQC in the reporting year, including 79 complaints that were resolved (either before or during an investigation) and 4 complaints which we formally investigated.

## Wider administrative improvement investigations

As part of our strategic direction, we undertake interventions to achieve wider administrative improvement in the state sector. These interventions range from focused investigations of significant and systemic issues, to providing more targeted advice, guidance and training to state sector agencies.

In this reporting year, we completed a wider administrative improvement investigation concerning the Earthquake Commission's handling of requests for information.

### Information fault lines: accessing EQC information in Canterbury

By the early part of 2013, it was clear that the Earthquake Commission had become unable to comply with its obligations under the OIA and the Privacy Act to respond in a timely manner to requests for information. By the end of May 2013, EQC was routinely breaching access to information requirements and was advising people that there would be a 6 – 7 month delay before the agency could respond to requests. Chief Ombudsman Dame Beverley Wakem and Privacy Commissioner Marie Shroff decided to conduct a co-ordinated investigation to establish whether there were improvements that EQC could make in the processes and resourcing of its OIA and Privacy Act functions to improve compliance. The resulting report, *Information fault lines: accessing EQC information in Canterbury*, was published in December 2013. It concluded that EQC's failure to respond to information requests within 20 working days was largely the result of:

- an overcomplicated and risk averse approach to responding to requests; and
- a tendency to be reactive rather than proactive in the dissemination of claim-related information.

The report noted that an increase in information requests in late 2012 was sudden and unprecedented, but could have been anticipated, prepared for and possibly prevented. In particular, part of the reason for the high volume of requests was that people were not able to obtain information through other means:

*"If appropriately detailed information were available via the website, if call centre staff were able to provide adequate answers to more questions, and if EQC automatically sent scopes of work to customers sooner after they were completed, then the need for formal information requests would be greatly reduced."*



The report acknowledged that the context in which EQC is working is extraordinary. But EQC's customers in Canterbury are living in the aftermath of a major natural disaster:

*"Access to information is not just a 'nice to have' that gives way to more important priorities in disaster recovery. It is a basic right that enables individuals to engage effectively with government agencies, and to have a proper say in decisions that profoundly affect their lives."*

The report's 13 recommendations included:

- streamlining the processing of claim file information requests;
- improving the quality of information and service provided by call centre staff;
- considering the automatic provision of property reports to owners; and
- improving website delivery of information.

EQC accepted all recommendations and made sweeping changes to the way in which it processed information requests. As a result, it had cleared a backlog of over 1,200 overdue requests by the end of April 2014 and, as at July 2014, it had reduced the total average time to complete a customer information request from 137 working days to 13 working days.

The Chief Ombudsman and the Privacy Commissioner are continuing to monitor EQC's progressive implementation of the recommendations.

We also continued a wider administrative improvement investigation concerning consultation by the Ministry of Education in relation to school closures and mergers.

### Consultation on school closures and mergers

In March 2013, Chief Ombudsman Dame Beverley Wakem commenced an investigation into the policy and practice of the Ministry of Education in consulting with school communities when it is proposed that a school be closed or merged with another school.

This issue has been of great importance in the Canterbury region since September 2012, when the Minister of Education announced a proposal that 38 schools be closed or merged. The Chief Ombudsman has been reviewing the Canterbury process in detail, and is also examining a range of closure and merger processes that have occurred over the past several years in other areas. The Chief Ombudsman's final report on the matter is expected to be published in late 2014 or early 2015.



## Official information

In this section we give an overview of our work under the Official Information Act 1982 (OIA) and the Local Government Official Information and Meetings Act 1987 (LGOIMA). Detailed statistics can be found in Part 7.

### The numbers

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We continued to receive a high number of official information complaints this year. We received 1,207 complaints under the OIA and 246 complaints under LGOIMA. These figures are comparable with 2011/12,<sup>25</sup> and can be contrasted with the expected receipt of 800 OIA complaints and 250 LGOIMA complaints set out in our performance measures, and for which we have historically been funded.

We completed 1,623 OIA complaints. This was a significant achievement, as after adjusting for anomalies caused by the receipt of a multi-agency complaint in 2012/13,<sup>26</sup> we completed 26%<sup>27</sup> more OIA complaints in 2013/14 than in 2011/12.

We also completed 233 LGOIMA complaints, remaining steady with our 2012/13 figures of 245 LGOIMA complaints completed.

We finished the year with 712 OIA complaints and 174 LGOIMA complaints on hand, managing to complete 403 more official information complaints than we received in 2013/14.

### The complainants

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This year's statistics concerning the type of complainants who raised concerns about official information decisions are consistent with previous years. They continue to suggest that members of the public are making good use of their rights to request information under the OIA and LGOIMA, and to complain to the Ombudsman if dissatisfied.

Individuals accounted for 55% of OIA complaints and 75% of LGOIMA complaints. The next highest users were the media, who made 16% of OIA complaints, and 11% of LGOIMA complaints. Companies, associations and incorporated societies made 10% of OIA complaints and 13% of LGOIMA complaints. MPs and political party research units accounted for 12% of the OIA complaints received.

<sup>25</sup> 1,236 OIA complaints and 268 LGOIMA complaints were received in 2011/12. An unprecedented 2,374 OIA complaints were received in 2012/13, caused primarily by 1,012 complaints received from a single complainant concerning delays responding to the same request by various school Boards of Trustees.

<sup>26</sup> Of the 1,012 complaints received from a single complainant in 2012/13, 272 outstanding complaints were completed in 2013/14. These complaints have been discounted from the comparison between complaints closed in 2011/12 and 2013/14.

<sup>27</sup> Amounting to 275 complaints.



## The agencies

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This year, 496 OIA complaints were made against government departments, making up 34% of all official information complaints received. Other state sector agencies accounted for 521 OIA complaints, or 36% of all official information complaints received. This shows a continuing trend for official information complaints to be made against the wider state sector just as much as against central government.

Local government agencies subject to LGOIMA made up 17% of the official information complaints received, and 12% of official information complaints were against Ministers of the Crown.

## The complaints

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This year, 60% of all official information complaints received concerned the partial or outright refusal of requests for official information, and 31% concerned delays by agencies in making decisions on official information requests or in releasing information.

These figures show a rebalancing in the proportion of delay complaints received, with a reversal of the increase that we have seen in previous years. We received 448 delay complaints in 2013/14, as compared to 1,695 received in 2012/13<sup>28</sup> and 584 received in 2011/12. A comparison with the figures for 2011/12 show a decrease of 23% in delay complaints this year as compared to 2011/12.

<sup>28</sup> Including the anomaly of 1,007 delay complaints made by a single complainant concerning various school Boards of Trustees (plus 5 refusal complaints).

## Public interest in disclosure of legal advice about enforcing parking tickets

LGOIMA protects information that is subject to legal professional privilege. Specifically, it provides good reason to withhold official information if it is “*necessary*” to protect legal professional privilege, unless the need to withhold is outweighed by the countervailing public interest in disclosure.

Ombudsmen have long-recognised the strength of the public interest in maintaining legal privilege. This is because legal privilege is a “*fundamental element in the administration of justice*”.<sup>29</sup> Therefore, to outweigh the need to withhold information in order to maintain privilege, the public interest factors favouring disclosure must be compelling.

An example of compelling public interest considerations in favour of disclosing information about legally privileged communications occurred during the reporting year. Palmerston North City Council had received legal advice about the legality or propriety of enforcing parking fees against members of the public who had paid the correct fee in respect of the wrong bay.

Chief Ombudsman Dame Beverley Wakem concluded:

*“It is in the public interest that the Council should act, and be seen to be acting, in an even handed manner concerning enforcement of infringement fees where members of the public can satisfy the Council they have paid a parking fee of an appropriate amount, but they have paid it for the wrong bay. In terms of section 7(1) [of LGOIMA], it is in the public interest that members of the public should be apprised of the legal advice which the Council has received concerning this issue. It is not appropriate that the Council should keep members of the public in the dark about its legal advice on that matter and the possibility of their obtaining a waiver of such an infringement fee on production of satisfactory evidence. In so far as it is possible, the ability of members of the public to apply for a waiver should not be left to chance.”*

To satisfy the public interest, the Council released a summary of the legal advice, and also published a statement on its website and in the news media to the effect that, on production of satisfactory evidence, the Council would consider waiving infringement fees imposed on people who had paid for the wrong parking bay.

## The outcomes

In 2013/14, we resolved 35% of all official information complaints, with 455 resolutions achieved without formal investigation and 189 resolutions achieved during an investigation.

We commenced formal investigations in 36% of all completed official information cases (672 out of 1,856), and we formed final opinions in 306 cases.<sup>30</sup> In 185 of these cases<sup>31</sup> we identified an administrative deficiency by the agency concerned in its official information decision making.

We made 11 recommendations under the OIA and 3 recommendations under LGOIMA. All recommendations were accepted.

<sup>29</sup> *Beecroft v Auckland District Court* [1999] 3 NZLR 672 at 677.

<sup>30</sup> 11% of all completed official information complaints.

<sup>31</sup> 60% of all complaints where a final opinion was formed.



## John Banks' witness statement

In our 2009/10 Annual Report we reported on the development of general principles relating to requests for Police witness statements. We recognised the privacy and confidentiality that is inherent in such statements even after the relevant court proceedings are concluded, but noted that both these grounds for withholding official information [sections 9(2)(a) and 9(2)(ba)] are subject to the public interest test.

This year Ombudsman Ron Paterson considered a high profile case relating to the withholding of the witness statement given by John Banks in the context of the Police investigation into alleged irregularities in electoral funding donations for the 2010 Auckland Super City Mayoral election.

The Ombudsman reaffirmed the earlier-stated principles, including the *"state interest in maintaining the confidentiality of witness statements, even after investigations have ceased, to ensure that other persons in similar situations are not inhibited from co-operating with Police enquiries"*. However, in this case there were considerations which meant it was desirable, in the public interest, to make information available.

The Ombudsman noted that the information related to the integrity of the 2010 Mayoral election, and *"elections sit at the heart of democracy"*. The Ombudsman also noted the Police conclusion that the elements of an offence under section 134(2) of the Local Electoral Act 2001 had been met, but the Police were prevented from laying charges due to a bar on the bringing of proceedings after six months.

He concluded that the public interest in the transparency and accountability of local government candidate donations requires that the public have access to those parts of Mr Banks' statement relating to his solicitation of campaign donations and contact with potential donors. Given the public disquiet about the integrity of the fundraising for the 2010 Auckland Super City Mayoral election, the public would not be adequately informed without direct access to Mr Banks' statement.

The Ombudsman therefore concluded that, in relation to the majority of Mr Banks' statement, the public interest outweighed the privacy and confidentiality interests protected by section 9(2)(a) and section 9(2)(ba) of the OIA. Information from the statement was released on the Ombudsman's recommendation, but only after the relevant court proceedings had been concluded, to protect Mr Banks' right to a fair trial.

## The administrative deficiencies identified

In relation to the complaints where we formed a final opinion, we identified:

- 141 cases of delay;
- 35 cases where the refusal of official information was not justified;
- 4 cases of procedural deficiency;
- 1 case where there was an unreasonable extension;
- 1 case where there was an unreasonable charge;
- 1 case where there was a factual error or mistake;
- 1 case where there was a wrong act or decision; and
- 1 case of resource deficiency in the agency.

## Protected quality assurance activities in the health sector

A “quality assurance activity” is one undertaken to improve the practices and competence of health practitioners by assessing the health services provided by them. Health practitioners can apply to the Minister of Health for such quality assurance activities to be protected under the Health Practitioners Competence Assurance Act 2003 (HPCAA). Protection means, amongst other things, confidentiality of certain information generated in the course of the activities.

There is a requirement to report annually to the Minister on protected quality assurance activities undertaken during the year. The reports contain summary information about improvements that have been made to health services as a result of the protected activities. They are not supposed to contain any information that would directly or indirectly identify an individual, such as a patient or health practitioner.

In 2013/14, Ombudsman Ron Paterson received a complaint about the Minister’s decision to withhold copies of the protected quality assurance annual reports for 2007 – 2011. The Minister was concerned that release of the reports could lead to the identification of individuals, and deter health practitioners from undertaking quality assurance activities in future.

Following discussions with the complainant, the Ombudsman’s investigation focused on the annual reports for 2011. The Ombudsman concluded that while the HPCAA provides protection for the detail of the quality assurance activities, this did not preclude making the annual reports available. The reports are meant to be high level aggregate information about the lessons learned and improvements made as a result of the quality assurance activities. Accordingly, release of appropriately redacted versions, which did not identify any individual, would adequately address privacy concerns.

The Ombudsman also rejected the argument that release would deter health practitioners from undertaking quality assurance activities in future. He noted that a number of health providers undertake such activities without the protection afforded by the HPCAA. He considered that the release of suitably redacted reports was unlikely to have a negative impact on the standard of quality assurance activities. He also considered that quality assurance improvements went to the heart of medical professionalism and that practitioners would continue to seek to improve practice.

The Ombudsman also observed there were strong public interest considerations favouring disclosure of the annual reports. They included the need for greater openness and transparency regarding the outcomes of quality assurance processes, and the accountability of health practitioners and organisations.

After considering the Ombudsman’s comments, and undertaking consultation with the responsible clinicians, the Minister agreed to release the annual reports with redactions. The Ombudsman worked closely with officials and the responsible clinicians to ensure no information was released that might expressly or implicitly identify an individual practitioner or patient.

The Minister also decided to proactively release future annual reports, so the public can be informed about the actions taken to remedy shortcomings identified through the quality assurance process. These reports will be available on the Ministry of Health website from December 2014.



## The remedies obtained

We obtained 677 remedies for complainants,<sup>32</sup> including:

- 289 cases where an omission was rectified;
- 195 cases where a decision was changed;
- 173 cases where reasons or an explanation for a decision were given;
- 15 cases where a decision was reconsidered; and
- 5 cases where an apology was given.

We also obtained a public administration benefit in 36 cases, with:

- a change in law, policy, practice or procedure in 13 cases;
- agency agreement to review a law, policy, practice or procedure in 7 cases;
- the provision of guidance or training to agency staff in 9 cases; and
- the provision of additional resources in 7 cases.

### EQC's management of conflicts of interest

As noted by the former Controller and Auditor-General:

*"In a small country like ours, conflicts of interest in our working lives are natural and unavoidable. The existence of a conflict of interest does not necessarily mean that someone has done something wrong, and it need not cause problems. It just needs to be identified and managed carefully ..."*

*"Impartiality and transparency in public administration are essential to maintaining the integrity of the public sector. Where activities are paid for by public funds or are carried out in the public interest, members of Parliament, the media, and the public will have high expectations."*

There can be a tension between the transparency that is required for public accountability, and the need to protect the privacy and confidentiality of information that arises in an employment context.

This year, Chief Ombudsman Dame Beverley Wakem investigated a complaint about the Earthquake Commission's (EQC's) decision to withhold information about its handling of an alleged conflict of interest by one of its staff members. She accepted that a high privacy interest attaches to an employee's conduct in his or her employment capacity. However, there is also a strong public interest in disclosure of information which would promote the accountability of EQC in respect of the administration of its integrity and conduct policy. The OIA recognises that in certain circumstances, personal privacy should properly give way to the public interest considerations favouring disclosure. Privacy should not provide a shield against legitimate scrutiny.

The information at issue included the names of senior managers who were involved in dealing with the alleged conflict of interest. The Chief Ombudsman considered that the countervailing public interest in disclosure of the names of the senior managers in this case outweighed the interest in withholding that information to protect their privacy. The disclosure was necessary to promote the accountability of EQC for its management of conflict of interest issues.

The Chief Ombudsman accepted that some information was properly withheld, but recommended disclosure of other information to address the strong public interest considerations she had identified.

<sup>32</sup> In cases that we both investigated, and resolved informally without investigation.

## Timeliness

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We met our timeliness targets this reporting year for most LGOIMA investigations (urgent investigations and all other investigations). However, given the continuing large volume of work received in the official information area, we struggled to meet our other timeliness targets. We closed or completed:

- under our OIA jurisdiction:
  - 64% of complaints outside jurisdiction within 1 month of receipt (*target 68%*);
  - 38% of complaints that were not investigated or resolved informally within 3 months of receipt (*target 75%*);
  - 85% of urgent investigations within 4 months of receipt (*target 90%*);
  - 23% of priority investigations within 6 months of receipt (*target 60%*); and
  - 44% of all other investigations within 12 months of receipt (*target 60%*).
- under our LGOIMA jurisdiction:
  - 55% of complaints outside jurisdiction within 1 month of receipt (*target 83%*);
  - 64% of complaints that were not investigated or resolved informally within 3 months of receipt (*target 70%*);
  - 95% of urgent investigations within 4 months of receipt (*target 90%*);
  - 21% of priority investigations within 6 months of receipt (*target 60%*); and
  - 62% of all other investigations within 12 months of receipt (*target 60%*).

The pressure point this reporting year continued to be priority investigations. Due to the heavy volume of official information complaints received, we were not able to complete most of our priority investigations under OIA or LGOIMA within our target timeframe of 6 months. Our ability to complete other OIA investigations in a timely manner also suffered.

In addition, only 38% of OIA complaints that were not investigated or resolved informally were completed within 3 months. This was due to dealing with a remaining 272 complaints out of the 1,012 complaints made by a single complainant concerning various school Boards of Trustees in 2012/13. The majority of these complaints were resolved without investigation, but this took more than 3 months given the complexity of dealing with such a large number of complaints in respect of one overall issue.



## Protected Disclosures Act

The purpose of the Protected Disclosures Act (PDA) is to:

- facilitate the disclosure and investigation of serious wrongdoing in or by public and private sector organisations; and
- protect employees who disclose information about serious wrongdoing.

Our primary role under the PDA is to provide advice and guidance to employees wanting to make protected disclosures. However, we can also:

- investigate the issues raised or refer them to other appropriate authorities for investigation;
- take over investigations by public sector organisations, or investigate in conjunction with them; and
- review and guide investigations by public sector organisations.

Since the PDA came into force in 2001, we have received an average of 10 requests per year for guidance and assistance in relation to possible protected disclosures.

A common trend in enquiries received under the PDA is that the issues raised do not relate to “*serious wrongdoing*” as defined in the legislation. The threshold for serious wrongdoing is high. It includes:

- offences;
- actions that would pose a serious risk to public health and safety or to the maintenance of the law; and
- in the public sector context, unlawful, corrupt or irregular use of funds or resources, and gross negligence or mismanagement by public officials.

Despite the high threshold, it is not clear why the PDA is not used more often. It could be due to a lack of awareness of the Act,<sup>33</sup> or a perception that the protections it provides are inadequate. It may also be a reflection of the fact that New Zealand enjoys such low levels of corruption.

In 2013/14, we received 14 and completed 7 requests for guidance and assistance. We completed 100% of all requests for guidance and assistance within 6 months of receipt (*target 95%*).

<sup>33</sup> The State Services Commission’s Integrity and Conduct Survey 2013 found “*the [PDA] is not being widely referred to or used by State servants*”. Available at [www.ssc.govt.nz](http://www.ssc.govt.nz).



## Crimes of Torture Act

In this section we give an overview of our work under the Crimes of Torture Act 1989 (COTA), and discuss issues arising in prisons and health and disability places of detention.

### Overview

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Under COTA, the Ombudsmen are a designated *National Preventive Mechanism* (NPM) with responsibility for monitoring and making recommendations to improve the conditions and treatment of detainees, and to prevent torture, and other cruel, inhuman or degrading treatment or punishment in:

- 17 prisons;
- 70 health and disability places of detention;
- 1 immigration detention facility;
- 4 child care and protection residences; and
- 5 youth justice residences.

The designation in respect of child care and protection and youth justice residences is jointly shared with the Children's Commissioner, and this year we undertook our first joint visit to the Mother and Baby Unit (MBU) at Auckland Women's Prison.

We are assisted in carrying out our NPM functions under COTA by two Inspectors. In 2013/14 we committed to carrying out 32 visits to places of detention. We exceeded this commitment and carried out a total of 37 visits, including 22 formal inspections. Seventeen visits (49%) were unannounced.

Each place of detention we visit contains a wide variety of people, often with complex and competing needs. Some detainees are difficult to deal with – demanding and vulnerable – others are more engaging and constructive. All have to be managed within a framework that is consistent and fair to all. While we appreciate the complexity of running such facilities and caring for detainees, our obligation is to prevent torture and other cruel, inhuman or degrading treatment or punishment.



The 22 formal inspections were at the sites set out in the table below.

Name of facility	Type of facility	Recommendations made
Christchurch Men's Prison (Youth Unit)	Prison	1
Mount Eden Corrections Facility (ARU/Transit Unit)	Prison	2
Te Awhina Inpatient Unit – Whanganui DHB	Acute Mental Health	-
Stanford House – Whanganui DHB	Extended Secure Regional Forensic	1
Manawatu Prison (B block) (follow-up)	Prison	4
Rimutaka (Upper Prison) (follow-up)	Prison	2
Mason Clinic (Kauri Unit) – Waitemata DHB	Forensic Unit	-
Northland Region Corrections Facility (Separates, ARU & Kea Unit)	Prison	7
Auckland Region Women's Corrections Facility (ARU & Management Unit)	Prison	8
Haumietiketiki Unit – Capital & Coast DHB	Forensic Intellectual Disability Unit	2
Arohata Women's Prison (follow-up)	Prison	-
Waikeria Prison (Youth Unit) & follow-up	Prison	19
Psychiatric Service for Adults with an Intellectual Disability (PSAID) – Canterbury DHB	Intellectual Disability	-
Te Awakura Inpatient Unit (North) – Canterbury DHB	Acute Mental Health	-
Te Whare Maiangi Inpatient Unit – Bay of Plenty DHB	Acute Mental Health	2
Mental Health Services Older People (MHSOP) – Bay of Plenty DHB	Older Persons	-
Te Toki Maurere Inpatient Unit – Bay of Plenty DHB	Acute Mental Health	4
Auckland Region Women's Corrections Facility (Young People)	Prison	8
Mount Eden Corrections Facility (follow-up)	Prison	11
Hawke's Bay Inpatient Unit	Acute Mental Health	1
Hawke's Bay Regional Prison (Youth Unit)	Prison	3
Rangatahi Inpatient Unit – Capital & Coast DHB	Adolescent Unit	2

We reported back to 22 places of detention (100%) within three months of conducting an inspection and made 80 recommendations, of which 65 were accepted or partially accepted (as set out in the table below).

Recommendations	Accepted	Not accepted
Prisons	54	15
Health and disability places of detention	11	0

Of the 15 recommendations not accepted by the Department of Corrections (Corrections), 11 concerned 3 common matters that were repeated across several sites, namely:

- the standardising of meal times (4 recommendations);
- the use of cameras and prisoners' right to privacy (4 recommendations); and
- segregated prisoners being placed in non compliant cells (3 recommendations).

This brings the total number of visits conducted over the 7 year period of our operation as a NPM to 299, including 115 formal inspections.

## Prisons

In last year's annual report we identified 3 key areas which raised concerns following our inspections:

- segregation facilities;
- prisoner meal times; and
- the use of force and restraint.

Two of these matters continued to be of particular concern in the 2013/14 reporting year.

### Segregation facilities

For the third consecutive year, segregation facilities remain a cause for significant concern with further evidence of variances in the way directed segregation is being applied to prisoners pursuant to section 58(1) (a) or (b) of the Corrections Act 2004. There still remains considerable disparity in the accuracy of segregation paperwork and the amount of time prisoners are allowed out of their cells, particularly in the open air.

While it was pleasing to see progress being made on the development of a new Management Unit at Auckland Prison, during the reporting year prisoners were still being housed in the two stainless steel cells highlighted in last year's report. Corrections has assured us that these cells are not currently in use and will only be used as a last resort (upon the completion of the Management Unit). Corrections also advises the cells were developed in response to a range of security breaches and have been effective from a security point of view. However, we still consider these cells are a cruel and inhuman way to detain individuals and have asked that they be decommissioned.

Corrections advises stage 2 of the Management Unit work will be complete by December 2014. Meanwhile, segregated prisoners located in the Separates Unit are effectively living on a building site. At the time of our visit in May 2014, one prisoner was in his cell during the day whilst construction work was underway. However, Corrections advises that prisoners are currently being removed each day prior to the arrival of construction staff and placed elsewhere.



Northland Prison and Waikeria Prison have no Management Unit. Therefore, on the evidence available to us, prisoners on directed segregation are sometimes located in the Separates Unit. Separates facilities are designed for prisoners undertaking a period of cell confinement and have none of the design features legally required for prisoners subject to a segregation directive such as a power outlet and privacy screening. Furthermore, Waikeria Separates cells, which can only be described as deplorable, have no windows and therefore prisoners have no access to natural light or fresh air for 23 hours a day.

We have been informed that the Separates Unit at Northland Prison will be upgraded to Corrections' Management Unit standard towards the end of 2014. Corrections has informed us that some remedial work has been undertaken to upgrade the Separates Unit at Waikeria.

## Meal times

Last year we reported that the 8am to 5pm unlock regime has condensed the working day for many prisoners, including meal times, with some dinners being routinely served as early as 3.30 pm, leaving prisoners for lengthy periods without meals. While we were hopeful that Corrections would address this concern, we discovered 3 more units where we consider the period between dinner and breakfast is too long. Corrections has advised it will shortly be commencing a review of the national prisoner menu.

## Young persons

The 3 male youth units in New Zealand are located in Waikeria, Hawke's Bay and Christchurch Prisons. Although Mount Eden does not have a youth unit, we believe it receives sufficient numbers of young people to justify one. The three Youth Units are of similar design and hold between 30 and 40 prisoners. All 3 units were under capacity at the time of our inspections due to a decline in the youth population nationally.

Although managed separately from adults, young females are located in one of the 3 women's prisons and do not receive the same level of attention as their male counterparts.

Christchurch and Hawke's Bay Youth Units were orderly, well maintained and generally relaxed. The majority of young people were purposefully engaged in education or work-based learning throughout the day and given the opportunity to participate in a wide range of leisure activities in the evening. Observations suggest positive relationships between staff and young people, and youngsters were generally complimentary about most of the staff. Due to the extended unlock hours at Christchurch and Hawke's Bay Youth Units, meal times are able to be standardised to normal meal times.

Waikeria Youth Unit was less orderly and some staff seemed disengaged with the young people. There was a scarcity of education and leisure activities and no employment opportunities. Some cells were in a disgraceful state of cleanliness with dirty floors and walls and excessive amounts of graffiti. There was an expectation that prisoners should pay weekly contributions into a welfare fund to supply food, prizes and some sporting equipment for family days and sports days. On the weekends, youth were locked in their cells during the afternoon in order for staff to facilitate visits. We made 12 recommendations to improve conditions for the young people in this Unit. We have been informed by Corrections that some remedial work has been undertaken to improve the environment and increase the activities available to youth.

Mount Eden is not set up to manage young people long term. However, Serco<sup>34</sup> has developed, implemented and resourced a dedicated programme for those young people who are temporarily managed

<sup>34</sup> Mount Eden Corrections Facility is managed by Serco, under contract to the Department of Corrections.

there. Youth are generally managed in the induction wing (but separately from adults). Accommodation is of an acceptable standard and staff/prisoner relationships seemed positive. While the prison has improved unlock hours for youth prisoners since our visit in August 2013, they were still subject to 19 plus hours lock down a day with limited access to fresh air.

At Auckland Women's Prison young persons are managed in the same unit as adult prisoners (on a separate unlock regime). The multiple unlock routines and lack of appropriate facilities undermines the full implementation of juvenile justice and penalises female youth significantly. While accommodation was exceptionally clean and tidy there were very few opportunities for education, programmes and leisure activities. Corrections has agreed to review the current regime for young females, including the implementation of a Youth Strategy project focusing on improving the management of the young people in its care.

The average time out of cell for youth on a week day is set out in the table below.

Christchurch	Hawke's Bay	Waikeria	Mount Eden	Auckland Women's
14 hours	11-12 hours	6-7 hours	4-5 hours	1-2 hours

Because of the small number of youth facilities and their geographical location, young people tend to be located further from their homes than adult prisoners, in spite of their particular need to maintain family ties. This impacts on their ability to receive visits and resettle back into the community. Video conferencing goes some way to facilitating/maintaining family contact but does not replace face-to-face interaction.

## Privacy issues

By their very nature, prisons house difficult to manage, sometimes dangerous and often vulnerable prisoners who can push boundaries and challenge the system. In coercive environments such as prisons, there is a danger that security is overemphasised to the detriment of the dignity of prisoners. This year we found examples where we consider order and security prevailed too easily over dignity and fairness.

In Youth Units, double cells are monitored on camera and have limited privacy screening around the toilet/shower area. In Waikeria East, 7 cells (the old at risk cells) are monitored on camera but house mainstream prisoners.

In Northland Prison, prisoners in Separates cells are required to shower in an external yard which is monitored on camera.

As well as being monitored on camera, women in the Separates cells at Auckland Women's Prison can be observed by prisoners and staff from both the corridor and the cell opposite using the toilet and shower. In the At Risk Unit, cells are monitored by cameras, including the unscreened toilet area. Cameras in both units are monitored by staff in the office and in "Master Control" including by officers of the opposite sex in the course of their work when female staff are unavailable. At Auckland Women's Prison just over 41% of officers are male.

The ability to view naked female prisoners in the shower and undertaking their ablutions is of great concern. We consider this to be significantly degrading treatment or punishment under COTA. The ability to view male prisoners in the shower is similarly degrading. We recommended that cameras should not cover toilets and shower areas. This was not accepted by Corrections.



Corrections is currently considering the use of privacy screening in Separates cells, but maintains that privacy screens should not be used in At Risk cells as Corrections believes there is an overriding need for staff to be able to safeguard prisoner well being.

Corrections has acknowledged that showers in external yards in Northland Prison are not ideal and advises that significant remedial work will be undertaken in 2014 to upgrade the Separates Unit at Northland Prison, including a new indoor shower block.

### Good practices at the prisons visited

- **Arohata Women's Prison:** In 2012 we made a recommendation to cease using outdoor shower facilities in secure cells because they were monitored on camera. It was pleasing to note during our follow-up visit (January 2014) that a new shower block had been installed in the Secure Unit. Furthermore privacy screens had been installed around toilets/showers in double bunked cells.
- **Rimutaka Prison:** We took the opportunity to revisit the High Dependency Unit at Rimutaka Prison and found a well run facility, that brings together health and custodial staff to provide care in a safe and secure environment for prisoners with age related conditions.
- **Auckland Women's Prison and Northland Prison:** The At Risk Units at both sites have made positive changes to the overall running of the units by introducing a much more therapeutic approach to the management of detainees.
- **Northland Prison:** Kea Unit is a 24 bed facility for younger persons (not to be confused with Youth Units) who are considered vulnerable. This Unit was well run and had purposeful work and leisure opportunities for the detainees.

## Health and disability places of detention

### Mental Health (Compulsory Assessment and Treatment) Act

Last year we reported on two forensic sites using outdated "*night safety procedures*" to justify locking patients in their bedrooms overnight – Totara Unit in the Mason clinic (Waitemata DHB), and Purehurehu Unit at Te Korowai-Whariki forensic mental health service (Capital and Coast DHB). We returned to both sites and found that the "*blanket*" policy has now been replaced with individualised night safety plans. However, the number of patients on night safety plans remains high. In contrast, both Midland and Canterbury Regional Forensic Psychiatric Services have no night seclusion and patients are free to leave their bedrooms any time of the night and day.

The Ministry of Health has published guidance on the use of seclusion and night safety procedures in mental health inpatient services. The Ministry also advises that further guidelines on the use of restraint and seclusion practices are planned for 2015, which will have an increased emphasis on a human rights approach to the provision of treatment and the continued reduction of restrictive practices such as seclusion and restraint. Transitional guidelines, specific to the phasing out of the use of Night Safety Procedures, will be published in the coming months.

We also reported last year on a patient in Tawhirimatea Unit (Capital & Coast DHB) who was being managed in seclusion/de-escalation on a semi-permanent basis. The DHB, with the involvement of the staff of this Office, has been actively seeking resolution of the current situation. While progress has been slow, the DHB is committed to finding suitable alternative accommodation and we are encouraged by recent developments for the patient concerned. We will continue to liaise with all parties until a satisfactory resolution can be found.

## Intellectual Disability (Compulsory Care and Rehabilitation) Act

Haumietiketiki Unit (Capital & Coast DHB) is one of two national secure facilities that provide services for people with an intellectual disability. It also provides the only inpatient service for women. As the national secure facility for care recipients, the Unit receives people with some of the most challenging and difficult to manage behaviours from around the country. Care recipients may, from time to time, be required to spend a period of time in the seclusion/de-escalation area. This year, we met two clients who were permanently sleeping in seclusion rooms and who had spent a significant amount of time in the de-escalation area (well over 12 months). Although one client has since been moved to a more appropriate facility, the second client remains in seclusion/de-escalation with no prospect of exiting in the short to medium term.

We have been informed that discussions are taking place with the Ministry of Health to build a number of secure, individualised units to accommodate patients with high and complex needs. However, this is a long term project, and immediate, alternative accommodation needs to be sourced for this client and others in a similar position.

The Ministry of Health has advised that intensive service planning is currently occurring around this individual. Whilst there is a medium term plan in place involving the development of a step down facility, current discussions involve the provision of a more immediate solution.

### Good practices at the facilities visited

- **Kauri Unit (Waitemata DHB)** has a good system for documenting the use of seclusion and in particular recording the amount of time each service user on seclusion spends unlocked whilst in the seclusion area.
- **Te Whare Maiangi Inpatient Service (Bay of Plenty DHB)** has a reportable seclusion event form which is easy to follow and covers all the necessary key points that should be asked before deciding to seclude a service user.
- **Te Awhina Unit (Whanganui DHB)** has introduced a swipe card access system to improve safety and security for service users and staff.
- **Stanford House (Whanganui DHB)** uses de-escalation techniques which have resulted in the elimination of patient restraints over the last two years.



## Other activities

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### **Association for the Prevention of Torture**

In June 2014, our Inspector was invited to attend the Association for the Prevention of Torture symposium in Geneva, *Addressing children's vulnerabilities in detention*. This was a good opportunity for us to share learning and best practice in inspecting and monitoring children's facilities and to form working relationships with other NPMs from around the world.



# United Nations Convention on the Rights of Persons with Disabilities

In this section we give an overview of our work under the *United Nations Convention on the Rights of Persons with Disabilities* (the Disabilities Convention).

## Overview

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New Zealand signed the Disabilities Convention on 30 March 2007 and ratified it on 26 September 2008. The purpose of the Disabilities Convention is to promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities.

Article 33 of the Disabilities Convention says that states should establish a framework, including 1 or more independent mechanisms, to “*promote, protect and monitor*” progress in implementation of the Disabilities Convention.

In 2010 we took on the role of an independent mechanism, with responsibility for protecting and monitoring implementation of the Disabilities Convention in New Zealand. We share our role as an independent mechanism with the Human Rights Commission and the New Zealand Convention Coalition, a group of national disabled people’s organisations. On 13 October 2011, the 3 independent mechanisms were formally designated by the Minister for Disability Issues as New Zealand’s *Independent Monitoring Mechanism* (IMM), by notice in the New Zealand Gazette.

Our role as part of the IMM is carried out under the Ombudsmen Act, pursuant to which we may:

- receive, and where appropriate, investigate complaints from affected individuals or groups about the administrative conduct of state sector agencies which relate to implementation of the Disabilities Convention; and
- conduct own motion investigations and other monitoring activities in relation to the administrative conduct of state sector agencies in implementing the Disabilities Convention.

We also note issues as they arise in relation to the inspections we carry out under our Crimes of Torture Act jurisdiction.

## Second monitoring report

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In August 2014, the IMM’s second report, *Making Disability Rights Real*, was published. The report covers the period July 2012 to December 2013, and identifies key issues that people with disabilities are facing in contemporary New Zealand.

The report assesses progress since the first report was released in June 2012. It details some of the experiences people with disabilities encounter every day and highlights the barriers that prevent the full realisation of the rights set out in the Disabilities Convention. The report also recommends steps that need to be taken to better respect, protect and fulfil those rights, and calls for the Government’s immediate attention.



The second monitoring report has marked a turning point, with increasing engagement developing between government and disabled people's organisations, in particular through the development of the Disability Action Plan and ongoing liaison. We have been particularly pleased about the developing spirit of co-operation with those government departments which have particular responsibility for working with disabled people's organisations.

In the report, the IMM has collectively identified 5 key areas of ongoing concern. These are:

- data;
- accessibility;
- building a people driven system;
- violence and abuse; and
- education.

One challenge in carrying out our monitoring role is the lack of reliable data and statistics. This makes it difficult to gain an accurate overall picture of the state of disability rights in New Zealand. It is encouraging that Statistics New Zealand has recently released the results from the 2013 Disability Survey, providing information on the social and economic outcomes of disabled and non-disabled people.

The report also highlights four specific areas of concern. The first is the implementation of the New Zealand Public Health and Disability Amendment Act 2013, which precludes the ability to pursue complaints of unlawful discrimination in relation to the Government's family care policy. The report also expresses concerns about individual autonomy (particularly the substituted decision-making process), health outcomes for people with disabilities, and the impact of certain parts of the Children, Young Persons, and Their Families Act 1989 on the rights of children with disabilities.

The report makes 38 specific recommendations, and outlines nine key areas the IMM intends to monitor over the next reporting period.

The IMM partners hope that the report will act as a powerful catalyst for change that will lead to further improvements in the daily lives of people with disabilities.

## Complaints and investigations

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In 2013/14 we received 16 complaints and other contacts which raised issues relevant to the Disabilities Convention. The issues concerned several different state sector agencies, over a wide range of subject matters.

Looking forward, we will continue to identify complaints and investigations where the Disabilities Convention is relevant. In this reporting period we have increasingly focused on identifying at an early stage the applicable rights in the Disabilities Convention, and asking state sector agencies to take these into account in their decision making processes.

## Education learning support

Ombudsman Ron Paterson investigated a complaint concerning the level of learning support provided to a secondary school student with dyslexia and attention deficit disorder. The student's mother also complained that it was unreasonable for the school's Board of Trustees to support the Principal's suggestion that her child leave the school.

As part of his investigation, the Ombudsman asked the school to review Article 24 of the Disabilities Convention, and consider whether the rights outlined were employed in school policies and procedures. Article 24 requires that educational institutions ensure the full realisation of all human rights and fundamental freedoms for pupils with disabilities on an equal basis with others, and without discrimination on the basis of disability.

The school undertook a review of its policies and procedures in conjunction with the Disabilities Convention, and set out its efforts to meet the rights outlined in Article 24. The school identified areas of current policy that directly supported the expectations outlined in the Disabilities Convention, and noted that the Disabilities Convention would be integral when policies and procedures were next reviewed.

Moreover, the school acknowledged it was previously under-resourced in the *"learning support area"*. The school has now appointed an Assistant Principal with experience in, and responsibility for, learning support, along with a new Guidance Counsellor. The school has also developed a more structured induction process for staff in relation to students with greater learning support needs.

## Staff education and awareness

In June and July 2014, we conducted disability training workshops for all Ombudsman staff. These sessions provided a background to disability issues in general, and focused on the Disabilities Convention and how it is relevant to our work. Staff from all areas of the Office were able to come together and consider the challenges people with disabilities continue to face in New Zealand, and engage in discussions about how the Disabilities Convention can be applied in our day-to-day work.

Staff participated in a number of activities, which illustrated some of the barriers people with disabilities experience in their daily lives. Staff were also provided with an opportunity to provide feedback on changes the Office could make to improve our work in the disability area, and a number of suggestions are currently being explored.



## Rights of persons with disabilities in places of detention

Our COTA Inspectors and Prison Investigators have actively considered the welfare of persons with disabilities in prisons, institutions and other places of detention. Particular issues of concern have been noted in our overview of our work under COTA.

### Universal design in prisons

Universal design is defined in Article 2 of the Disabilities Convention as:

*“the design of products, environments, programmes and services to be used by all people, to the greatest extent possible, without the need for adaptation or specialised design.”*

Encouraging universal design at the outset is one way to ensure that people with disabilities are reasonably accommodated.

The new Auckland South Corrections Facility in Wiri, South Auckland is due to open in May 2015. Chief Ombudsman Dame Beverley Wakem and 2 Ombudsman staff members had the opportunity to visit the construction site in May 2014. The public-private partnership led by Serco in conjunction with Fletcher Building, offers prisoners with impairments (both physical and mental) the opportunity to live and work in surroundings that have been modified to fulfil both their rehabilitation and reintegration needs.

The two storey facility has a number of accessible cells in both the medium and low security units which will cater for prisoners in wheelchairs and those identified with a mobility issue. Cell features include a wider entrance door, adequate floor space (for manoeuvrability), and fixtures and fittings such as grab rails in showers and toilets.

Prisoners with impairments will be identified on arrival and a multidisciplinary team (including the prisoner) will develop a care plan to address individual needs. Prisoners who require assistance with emergency evacuations will have personal emergency plans in place in their respective units.

In contrast, during a visit to Mount Eden Corrections Facility in April 2014, the COTA Inspector noted a prisoner in a wheelchair having to rely on staff to carry him up and down steps in order to get to his unit. A recommendation to address the inadequate wheelchair access was made, and accepted by Corrections.<sup>35</sup>

<sup>35</sup> Above, n 34.

## Policy and professional practice

In support of our legislative functions, we aim to:

- build state sector capability in areas relevant to our jurisdiction; and
- improve public awareness and accessibility of Ombudsman services.

We also carry out a range of international relations and development work. This section summarises our work in these 3 areas.

### State sector capability

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In order to build state sector capability we provide advice and training to state sector agencies, comment on legislative, policy and administrative proposals, and produce information resources.

#### Advice and comment

In 2013/14 we commented on 27 legislative, policy and administrative proposals relevant to our role. In particular, we commented on Cabinet papers, Bills and administrative policies and procedures.

In addition to matters affecting our jurisdiction, we provide comments on good administrative conduct, good decision making and effective complaints handling, as well as the impacts of particular proposals on the application of the official information legislation.

When we identify issues, it is open to us to make a submission to the relevant select committee considering a Bill before Parliament. In the current reporting year, we made submissions on:

- the Environmental Reporting Bill, in relation to a provision that allows the Secretary for the Environment and the Government Statistician to veto the release of information to be used in an environmental report; and
- the Building (Earthquake-prone Buildings) Amendment Bill, in relation to the restriction on public access to certain information on the seismic capacity register.

We will continue to make submissions where appropriate. However, we encourage agencies to consult with us at an early stage of policy development. In that way, so far as possible, a solution to any problem that is identified can be discussed before a paper is put before Cabinet or a Bill is introduced to Parliament. When we are asked to comment, the timeframes given for our response are often very short. This can make it difficult for us to manage our workflow in this area.

In addition to commenting on legislative, policy and administrative proposals, we also provided informal advice on 103 occasions to state sector agencies, mainly in relation to enquiries about the processing of official information requests. Agencies often request our advice on 'live' requests for official information and how best they can comply with the legislation. We do not tell agencies what to do in relation to 'live' requests. This would be inappropriate since we may be called on to investigate and review the decision ultimately taken. However, we are happy to provide advice in general terms about the requirements of the legislation, and the types of considerations that agencies ought to be taking into account.



We also provided advice to the Secretary of Transport on 8 applications for authorised access to the motor vehicle register, under section 241 of the Land Transport Act 1998.

## Training

We offer training on request to agencies seeking to improve their understanding of our role and functions, and the requirements of the OA and official information legislation. In 2013/14, we provided 36 workshops and training sessions around New Zealand. We have seen an increasing trend for agencies to seek multiple training sessions from us, over a number of locations.

We continued to receive overwhelmingly positive feedback from the agencies who accessed our training services, with 100% of participants reporting the training would assist them in their work.

### The agencies who received Ombudsman training in 2013/14

- Accident Compensation Corporation (2 sessions)
- Auckland Transport
- Creative New Zealand (3 sessions)
- Department of Internal Affairs (2 sessions)
- Local Government New Zealand (for new Mayors and councillors) (12 sessions)
- Ministry for Primary Industries
- Ministry of Education (7 sessions)
- Reserve Bank (4 sessions)
- Selwyn District Council
- Tertiary Education Commission (3 sessions)

## Information resources

The *Ombudsman Practice Guidelines* are our primary resource to assist agencies in complying with their obligations under the official information legislation. They are supplemented by case notes and opinions available on our website.

We produced or updated 15 guidance materials this reporting year, comprising:

- 10 opinions and 1 report on key complaints we investigated; and
- 4 e-newsletters to keep our stakeholders up to date with developments.

## Public awareness and accessibility

One of our priorities is to improve public awareness of our role and to make access to our services easy for all. We undertake a range of public awareness activities, including conducting presentations and workshops, publishing information and resources (as discussed above), and maintaining a website so that people can access our service electronically.

In 2013/14 we undertook our third nationwide public awareness survey, to gauge the level of awareness of the Ombudsman in the community. The survey found 69% of the New Zealand public had heard of us, with

levels of awareness remaining steady when compared with 72% awareness in 2012/13 and 69% awareness in 2011/12.

More older respondents had heard of the Ombudsman, with awareness levels in 2013/14 at:

- 91% for those aged 60 years or older;
- 86% for those aged 45-59 years;
- 64% for those aged 30-44 years; and
- 31% for those aged under 30 years.

The awareness levels amongst different ethnic groups were:

- 73% for non-Maori and non-Pacific Islanders;
- 50% for Maori; and
- 44% for Pacific Islanders (an increase on 2012/13 levels of 34%).

This continues to demonstrate that we need to target greater awareness raising amongst young people and Maori and Pacific Islanders in particular.

Most respondents who had heard of the Ombudsman had a good idea of what we do, as:

- 33% believe that we handle complaints and disputes generally;
- 18% believe that we are a regulator or watchdog; and
- 12% believe that we consider complaints about central and local government services.

When asked where they would go to find out about the Ombudsman, 80% said they would use the internet to search for information. This correlates with the results of our complainant stakeholder survey, which found that 63% of complainants had looked at our website. Of those complainants surveyed who had looked at our website, 85% found it useful.

There have been high levels of access to our new website launched in the previous reporting year, with 45,848 visitors this year (49% new visitors and 51% returning visitors). Most of the visits (83%) were from people in New Zealand. Apart from our home page, the most popular pages were in our resources and publications section.

We also maintain a presence on facebook, with 172 friends or likes by the end of the reporting year.

We continued our push to be more visible, active and engaged in community events this year. We delivered 44 presentations and workshops on the role of the Ombudsman. Audiences included media organisations, university students, complaint handling organisations, various conference participants, disabled people's organisations, community law centres, citizens' advice bureaux, and other community groups.

## International relations and development

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Our commitments in this area include hosting visiting international delegations, participating in international Ombudsman and Information Commissioner networks, and providing training and assistance to international Ombudsmen or Ombudsman-type organisations.



## Delegations

In 2013/14, we received delegations from China, Malaysia, Myanmar, Samoa, South Korea, Timor Leste and Vietnam. The comparative experience New Zealand has to offer in reviewing administrative practice, enforcing official information legislation, and monitoring places of detention continues to be of considerable interest to other countries.

## Networks

We maintain awareness of international developments and trends through membership of the:

- Australasian and Pacific Ombudsman Region of the International Ombudsman Institute;
- Australia and New Zealand Ombudsman Association;
- Pacific Ombudsman Alliance; and
- Association of Information and Access Commissioners.

During the reporting year, the Chief Ombudsman continued in her role as President of the International Ombudsman Institute.

We also worked in partnership with other Ombudsmen and complaint handling organisations:

- as a committee member revising the Standards Australia/Standards New Zealand joint Standard: *Guidelines for complaint handling in organisations*; and
- supporting the establishment of a second whistle blowing research project by Griffith University in Queensland.

## Training and assistance

We continue to provide training and development assistance when possible, primarily to countries in the Pacific region. This is generally done through the Pacific Ombudsman Alliance, which exists to strengthen Pacific Ombudsman Offices in their ongoing professional development, and support the building of integrity institutions in the wider Pacific.

In 2013/14, we provided ongoing support to the Cook Islands Ombudsman office, including:

- a review of their legislation; and
- a 6 week secondment by a senior member of our staff to assist the office with progressing a number of complaints and practice improvements.

We also provided ongoing support to the Niue *Complaint Handling Ombudsman-backed Scheme*.





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Report of the Ombudsman  
Part 4 | Report on operations

.....  
A.3

.....

57





# Part 5 Organisational health and capability

# 5

Overview	60
Financial and asset management	61
Our people	62
People performance and capability	63
Information management	63
Risk management	64



## Overview

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In recent years, our Office has grown from its original classical model of an investigator under the Ombudsmen Act to that of a modern Ombudsman with multiple responsibilities and functions arising from a variety of pieces of legislation. In addition, over the past 5 years we have seen an increasing demand for our services, particularly in the areas of official information and complaints and other contacts relating to Canterbury earthquake recovery issues. Last year (2012/13) we reported that for the second year in a row, we had received and completed the highest ever number of complaints and other contacts concerning state sector agencies. With no corresponding increase in resources until the 2013/14 year, the increasing demand for our services has meant we received more requests for assistance than we were able to allocate and complete. As a consequence, both the number and age of open complaints grew in that time, impacting adversely on our ability to meet some timeliness performance targets. It also increased the risk of being unable to carry out our statutory functions of:

- investigating complaints and achieving timely, appropriate resolution for complainants; and
- providing accurate and timely reports on how state sector agencies' administration, decision making, systems and processes are performing and what improvements may be necessary.

In order to manage the impact of this increasing demand, we carried out a comprehensive review of work processes and complaint handling procedures in 2011/12, with a focus on identifying areas where we could gain efficiency and maintain effective management of new complaints and other contacts received by the Ombudsmen. The overall objective was to improve our performance and responsiveness through smarter use of finite resources and strengthening of our quality assurance mechanisms. All work processes and resource allocations in the Office were examined in detail, to identify strengths and weaknesses. The process was informed by staff consultations and the study of Ombudsmen offices and dispute resolution agencies in other jurisdictions, principally Australia. Changes in intake, workflow and associated complaint handling procedures were identified and introduced in 2011/12 in the form of our *Continuous Practice Improvement* initiatives.

However, the large increase in work over that period did affect the timeliness of our interventions. Our performance over the last few years has not met Parliament's expectations for the timeframes within which certain priority types of investigation work should be completed. This continued in the 2013/14 year. Our submissions for the 2013/14 Budget highlighted our concern that we were under resourced for the work expected of us. The Officers of Parliament Committee considered an increase in staffing was necessary for us to continue to perform our statutory functions satisfactorily, and recommended an increase in funding for 6 additional investigating staff and associated costs in 2013/14 and out years.

During the 2013/14 year, we recruited and filled the additional investigating and support staff positions (as well as actively filling all vacancies arising from staff resignations throughout the year) and designed a training and development strategy to support their capability to progress complaints effectively.

In 2013/14, we extended our efficiency review to the corporate and administrative services provided by the Office. The overall objective was to improve our performance and responsiveness through the smarter use of resources, strengthening our professional practice and quality assurance mechanisms, and ensuring the strategic services provided by staff who guide and support our Investigators and Inspectors in their work is efficient and allows them to effectively implement our new strategic direction. This resulted in a reorganisation of the Office's business and support services and our professional practice and wider administrative improvement advisory groups.

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These changes have enabled us to apply a systematic approach to addressing the impact of the large increase in work we have received since 2011/12, while still catering for the individual circumstances of each case (including the urgency and risk that may be associated with it).

The changes have also enabled us to recognise pressures of work and more easily move staff resource to a particular area when a need is identified. As a result, we are confident we are well positioned to continue to make considerable gains in meeting our performance targets during the 2014/15 year.

In 2013/14 we also continued work on proposed changes to corporate and human resources policies, with some of these being focused on for further development as we move towards completing Collective Agreement negotiations with the union. These policies and our IT and information management and resources aim to support our *Continuous Practice Improvement* initiative.

We continue to have concerns about our ability to properly fulfil our obligations as a *National Preventive Mechanism* under the Crimes of Torture Act within existing resource constraints. We operate on the basis that 97 detention facilities fall within our remit, including 70 health and disability places of detention. However, our designation in respect of 'health and disability places of detention' is potentially very wide, and may encompass private sector aged care facilities in which people have been detained. This includes approximately 130 aged care facilities with dementia units, which would bring the total number of health and disability places of detention within our remit to 200. Under our current inspectorate model, our ability to conduct "regular" inspections of these places of detention as required by the Crimes of Torture Act, and in accordance with international expectations, would be compromised. We would need to seek additional funding to address these concerns and review the COTA management structure within our Office. We note that the United Nations Subcommittee for the Prevention of Torture has commented that a NPM should be inspecting these facilities.

## Financial and asset management

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This financial year our Office continued to operate under tight fiscal conditions. Vote Ombudsmen is small, amounting to \$9.866 million (excluding GST) for the year ended 30 June 2014. Personnel and accommodation costs account for 70% of the actual amount spent. The remaining spending was primarily on travel, communications and other service contracts.

Both The Treasury and Audit New Zealand have consistently advised that they consider our Office is not wasteful of the resources provided. There is very little expenditure of a discretionary kind. What discretionary financial resources do exist are allocated in a contestable manner. Generally the allocation of every dollar is closely scrutinised to ensure the investment is the best use we can make with the resources provided. Discretionary funding may be spent on staff training or assigned to a specific project.

We use GreenTree accounting and reporting software as our primary accounting tool. The financial reports generated by the system deliver detailed information on a business unit basis and are reported monthly to senior management. A range of internally developed spreadsheets use information generated from the GreenTree accounting system to provide budget projections for the current and future year. These contribute to the effective use of our assets and assist in identifying any potential problems at an early stage. This year we have confirmed changes to the GreenTree accounting system to enhance its efficiency and provide a better service to both the Office and budget managers.



When procuring goods and services we seek the best price possible by negotiation or competitive quote. We also negotiate term supply arrangements where there is an identified potential for savings.

We work closely with The Treasury and Audit New Zealand to ensure a “no surprises” policy. The liaison allows us to benefit from their advice and guidance in matters relating to improving transparency of performance and reporting systems, and ensures that both agencies have a sound understanding of our working environment and the issues confronting us.

## Our people

As at 30 June 2014, we had 76 employees (plus 2 Ombudsmen). Our staff are distributed across 3 office sites:

- Auckland 15%;
- Christchurch 8%; and
- Wellington 77%.

In terms of working arrangements, as at 30 June 2014, 97% of our staff were permanent and 3% were fixed term. In addition:

- 66% of our staff work full-time;
- 25% of our staff work part-time; and
- 8% of our staff job-share.

In terms of gender distribution, 74% of our staff are female and 26% male, with further details set out in the table below.

Role	Number	% of total staff	% Female	% Male
Senior Managers (including 2 Ombudsmen)	5	6%	60%	40%
Managers (with direct reports)	7	9%	71%	29%
Specialist staff (legal, policy and professional practice, wider administrative improvement, corporate)	10	13%	70%	30%
Investigations and inspections staff	39	50%	67%	33%
Administration and support staff (operations and corporate)	17	22%	100%	-

We record with deep sadness the passing of Assistant Ombudsman Richard Fisher this year. Richard worked for the Ombudsman for 25 years and managed our Auckland office with distinction. He was an exceptional leader and demonstrated great care and concern for the ordinary New Zealander, as well as helping state sector agencies to improve their performance when warranted.

Six other staff left in the reporting period, resulting in a staff turnover for the year of 9%.

## People performance and capability

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We have now embedded our new annual performance review and professional development planning process. Further developments for robust and evidence-based performance management have included trialling and reviewing the key performance indicators for investigations and inspections staff with a view to more accurately reflecting our overall Office performance measures.

We have also implemented a formal training and development strategy and completed an initial assessment of individual training and development needs for all staff. The revised induction programme and a new staff training programme developed from this strategy were rolled out. Delivery of targeted training interventions will continue on an ongoing basis to meet capability development needs for staff over the next few years.

## Information management

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We have continued work this year on reviewing and improving our information management technologies, structure and related policies, processes and practices for managing information to support our *Continuous Practice Improvement* strategy.

All complaints and other contacts records in electronic format are stored in a customised *Case Management System*. The *Case Management System* was upgraded in 2010, and has since been modified and enhanced via process change requests to support the new *Continuous Practice Improvement* initiatives as they have been introduced since 2011/12. All other work carried out in the Office is stored either in hard copy or in an electronic file system created some 20 years ago comprising a series of shared drives and folders. We are aware that a number of issues have arisen that inhibit our ability to achieve maximum efficiency due to the limitations of our current information management and communication technologies, including their age and appropriateness to service our growth in jurisdiction and functions, and the demand for our services over recent years.

In 2013/14 we commenced a comprehensive review of our current approach to:

- ICT process design;
- ICT investment in systems and support arrangements;
- methods of seeking change requests and process enhancements; and
- skill acquisition, training and development.

This review will continue in 2014/15 with a view to developing a more strategic approach to ICT and modernising and harmonising our ICT infrastructure so that we can be confident it will support the:

- various roles and functions of the Ombudsmen;
- needs of our staff;
- strategic direction and performance targets agreed with Parliament; and
- public expectations for the Ombudsmen to deliver as Officers of Parliament reporting on the activities of the state sector.



## Risk management

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Our 2013/16 Statement of Intent identifies our key risks and sets out the strategies we use to manage these risks. In summary, our key risks are:

- damage to our credibility or reputation;
- complaint handling pressures and finite resources;
- loss of relevance; and
- loss of international credibility and reputation.

We also face staffing and accommodation risks, including those arising from:

- the departure of key staff and the consequent loss of expertise and experience;
- physical and electronic security;
- impacts on staff health and safety and the efficient use of our resources arising from unreasonable complainant conduct; and
- natural disaster, including fire and earthquakes.

We have measures in place to manage these risks, and we have continued developing an overall risk management strategy for our Office.





## Our key strategies to manage staffing and accommodation risks

### Departure of key staff

- effective induction, training and professional development programmes for staff
- provision of guidance and resource material for staff, including further development of IT and information management resources
- fair and reasonable employment terms and conditions, and ongoing monitoring of staff satisfaction

### Physical and electronic security

- managed access by the public to business premises, including visitor and alarm procedures
- after hours building security
- computer database security

### Unreasonable complainant conduct

- procedures for the identification and management of unreasonable complainant conduct

### Natural disaster

- insurance
- IT disaster recovery capability
- procedures to communicate with staff and their family members to ensure their safety and well-being
- emergency first aid and civil defence equipment and supplies, and nominated staff qualified in First Aid



## Part 6 Financial and performance information

# 6

Statement of responsibility	68
Independent auditor's report	69
Statement of objectives and service performance	72
Statement of cost of service	76
Statement of comprehensive income	76
Statement of financial position	77
Statement of changes in taxpayers' funds	78
Statement of cash flows	78
Statement of commitments	79
Statement of contingent liabilities and contingent assets	80
Statement of expenses and capital expenditure against appropriations	81
Statement of unappropriated expenditure and capital expenditure	82
Notes to the financial statements	83



## Financial and performance information

### Statement of responsibility

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In terms of the Public Finance Act 1989, I am responsible, as Chief Executive of the Office of the Ombudsman, for the preparation of the Office's financial statements and the statement of objectives and service performance and for the judgements made in them.

I have the responsibility of establishing, and have established and maintained, a system of internal control procedures that provide a reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion:

- these financial statements fairly reflect the financial position and operations of the Office of the Ombudsman for the year ended 30 June 2014; and
- the forecast financial statements fairly reflect the forecast financial position and operations of the Office of the Ombudsman for the financial year to which they relate.

**Dame Beverley Wakem DNZM, CBE**  
Chief Executive

30 September 2014

**Meaw-Fong Phang**  
Finance and Business Services Manager

30 September 2014

## **Independent Auditor's Report**

### **To the readers of the Office of the Ombudsmen's financial statements and non-financial performance information for the year ended 30 June 2014**

The Auditor-General is the auditor of the Office of the Ombudsmen (the Office). The Auditor-General has appointed me, Karen Young, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the non-financial performance information of the Office on her behalf.

We have audited:

- the financial statements of the Office on pages 76 to 99, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2014, the statement of comprehensive income, statement of changes in equity, statement of Office expenses and capital expenditure against appropriations, statement of unappropriated expenditure and capital expenditure and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the Office that comprises the statement of objectives and service performance on pages 72 to 75.

#### **Opinion**

In our opinion:

- the financial statements of the Office on pages 76 to 99:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the Office's:
    - > financial position as at 30 June 2014;
    - > financial performance and cash flows for the year ended on that date;
    - > expenses and capital expenditure incurred against each appropriation administered by the Office and each class of outputs included in each output expense appropriation for the year ended 30 June 2014; and
    - > unappropriated expenses and capital expenditure for the year ended 30 June 2014.
- the non-financial performance information of the Office on pages 72 to 75:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the Office's service performance and outcomes for the year ended 30 June 2014, including for each class of outputs:



- > its service performance compared with the forecasts in the statement of forecast service performance at the start of the financial year; and
- > its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 30 September 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Chief Ombudsman and our responsibilities, and we explain our independence.

### **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the non-financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the non-financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Office's preparation of the financial statements and the non-financial performance information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Chief Ombudsman;
- the appropriateness of the reported non-financial performance information within the Office's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and the non-financial performance information; and
- the overall presentation of the financial statements and the non-financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the non-financial performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and the non-financial performance information.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Chief Ombudsman**

The Chief Ombudsman is responsible for preparing financial statements and non-financial performance information that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Office's financial position, financial performance, cash flows, expenses and capital expenditure incurred against each appropriation and its unappropriated expenses and capital expenditure; and
- fairly reflects its service performance and outcomes.

The Chief Ombudsman is also responsible for such internal control as is determined is necessary to enable the preparation of financial statements and non-financial performance information that are free from material misstatement, whether due to fraud or error. The Chief Ombudsman is also responsible for the publication of the financial statements and non-financial performance information, whether in printed or electronic form.

The Chief Ombudsman's responsibilities arise from the Ombudsmen Act 1975 and the Public Finance Act 1989.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and the non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001, the Ombudsmen Act 1975 and the Public Finance Act 1989.

### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Office.

Karen Young  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand



## Statement of objectives and service performance for the year ended 30 June 2014

Performance Measures	2013/14		2012/13
	Budget Standard	Actual	Actual
<b>Impact measures</b>			
Overall quality of public services improves over time	Higher than 74 points in Kiwis Count Survey	<b>72 points (as at March 2014)<sup>36</sup></b>	72 points (as at March 2013)
New Zealand rated as one of the leading countries in public service probity as measured by the Transparency International Corruption Perceptions Index	On average over the next 5 years New Zealand in the top 3 ranked countries	<b>In 2013, New Zealand ranked first equal with Denmark<sup>37</sup></b>	In 2012, New Zealand ranked first equal with Denmark and Finland
<b>Output A – Investigate state sector administration and decision making</b>			
<b>Demand driven measures</b>			
# of complaints completed (new measure)	2,500	<b>2,510</b>	11,161 <sup>38</sup>
# of other contacts completed (new measure)	7,000	<b>6,056</b>	
# of cases where monitoring of death in custody investigations commenced <sup>39</sup>	12-15	<b>14</b>	11
<b>Proactive measures</b>			
All complaints and other contacts considered	100%	<b>100%</b>	100%
# of wider administrative improvement investigations completed	3-5	<b>1</b>	3
% of complaints outside jurisdiction completed within 1 month from date of receipt	75%	<b>83%</b>	79%
% of complaints not investigated or resolved without investigation completed within 3 months from date of receipt	72%	<b>79%</b>	85%
% of urgent investigations completed within 4 months from date of receipt	90%	<b>100%</b>	<b>-<sup>40</sup></b>
% of priority investigations completed within 6 months from date of receipt	70%	<b>43%<sup>41</sup></b>	57%
% of all other investigations completed within 12 months from date of receipt	60%	<b>47%<sup>42</sup></b>	56%
% of completed complaints and other contacts meeting internal quality standards, following random quality assurance check	Baseline to be established	<b>-<sup>43</sup></b>	-



Report of the Ombudsman  
Part 6 | Financial and performance information

Performance Measures	2013/14		2012/13
	Budget Standard	Actual	Actual
# of successful appeals for judicial review of Ombudsman	Nil	<b>Nil</b>	Nil
<b>Output A and Output B</b>			
<b>Proactive measures</b>			
% of complainants satisfied with overall quality of our service delivery	55%	<b>35%</b> <sup>44</sup>	<sup>-45</sup>
% of state sector agencies satisfied with our communication overall	70%	<b>94%</b>	-
% of state sector agencies satisfied the Ombudsmen's views are fair	70%	<b>69%</b>	-
<b>Output B – Investigate and review official information decisions</b>			
<b>Demand driven measures</b>			
# of complaints completed	800 OIA 250 LGOIMA	<b>1,623 OIA</b> <b>233 LGOIMA</b>	1,913 OIA 245 LGOIMA
# of other contacts completed (new measure)	Baseline to be established	<b>510 OIA</b> <b>54 LGOIMA</b>	<sup>-46</sup>
<b>Proactive measures</b>			
All complaints considered	100%	<b>100%</b>	100%
% of complaints outside jurisdiction completed within 1 month from date of receipt	68% OIA 83% LGOIMA	<b>64% OIA</b> <b>55% LGOIMA</b>	63% OIA 75% LGOIMA
% of complaints not investigated or resolved without investigation completed within 3 months from date of receipt	75% OIA 70% LGOIMA	<b>38% OIA</b> <sup>47</sup> <b>64% LGOIMA</b>	30% OIA 68% LGOIMA
% of urgent investigations completed within 4 months from date of receipt	90% OIA 90% LGOIMA	<b>85% OIA</b> <b>95% LGOIMA</b>	81% OIA 93% LGOIMA
% of priority investigations completed within 6 months from date of receipt	60% OIA 60% LGOIMA	<b>23% OIA</b> <sup>48</sup> <b>21% LGOIMA</b>	30% OIA 35% LGOIMA
% of all other investigations completed within 12 months from date of receipt	60% OIA 60% LGOIMA	<b>44% OIA</b> <b>62% LGOIMA</b>	50% OIA 69% LGOIMA
% of completed complaints and other contacts meeting internal quality standards, following random quality assurance check	Baseline to be established	<sup>-49</sup>	-
# of successful appeals for judicial review of Ombudsman	Nil	<b>Nil</b>	Nil
<b>Output C – Deal with requests for advice and guidance about serious wrongdoing</b>			
<b>Demand driven measure</b>			
# of requests for advice and guidance completed in the reporting year	10	<b>7</b>	11



Performance Measures	2013/14		2012/13
	Budget Standard	Actual	Actual
<b>Proactive measures</b>			
All requests for advice and guidance considered	100%	<b>100%</b>	100%
% of requests completed within 6 months from date of receipt	95%	<b>100%</b>	82%
<b>Output D – Monitor and inspect places of detention</b>			
<b>Proactive measures</b>			
# of full inspections to places of detention	22	<b>22</b>	22
# of other visits to places of detention	10	<b>15<sup>50</sup></b>	23
% of unannounced full inspections and other visits	At least 33% <sup>51</sup>	<b>49%</b>	77.7%
% of reports sent to places of detention within 3 months of visit	95%	<b>100%</b>	91%
% of reports peer reviewed, to meet internal quality standards	100%	<b>100%</b>	100%
% of formal recommendations accepted (new measure)	80%	<b>81%</b>	-
<b>Output E – Improve state sector capability in areas relevant to our jurisdiction</b>			
<b>Demand driven measures</b>			
# of requests for advice or comment by state sector agencies responded to	60-80	<b>103</b>	152
# of training sessions provided to state sector agencies	20	<b>36<sup>52</sup></b>	19
<b>Proactive measures</b>			
# of guidance materials produced or updated	10-15	<b>15</b>	45
% of participants in Ombudsmen external training sessions who report that the training will assist them in their work	95%	<b>100%</b>	100%
% of agencies which report that they use one or more of the Ombudsman’s information resources currently available	80%	<b>100%</b>	<sup>-53</sup>
<b>Output F – Improve public awareness and accessibility of our services</b>			
<b>Demand driven measure</b>			
# of external speeches and presentations given <sup>54</sup>	25	<b>44<sup>55</sup></b>	27
<b>Proactive measures</b>			
% of members of the public who have heard of the Ombudsman	65%	<b>69%</b>	72%
% of complainants who looked at our website	55%	<b>63%</b>	<sup>-56</sup>
% of complainants who found our website useful	70%	<b>85%</b>	-

## Footnotes to Performance Measures table

- <sup>36</sup> See <https://www.ssc.govt.nz/kiwis-count-update-mar14>.
- <sup>37</sup> See <http://www.transparency.org/cpi2013/results#myAnchor1>.
- <sup>38</sup> In 2012/13 and previous reporting years, complaints and other contacts were reported together. The figure of 11,161 therefore includes 2,878 complaints and 8,283 other contacts.
- <sup>39</sup> Monitoring was undertaken of all deaths in custody.
- <sup>40</sup> No investigations completed in 2012/13 under the Ombudsmen Act were assessed as requiring urgency. Urgent matters were able to be addressed or resolved without formal investigation.
- <sup>41</sup> Seven OA complaints were investigated as a priority, with 71% completed within 12 months.
- <sup>42</sup> Our ability to meet some timeliness targets this year was affected by the ongoing pressure of work and demands on our resources.
- <sup>43</sup> We are unable to report against this measure, as the introduction of random quality assurance checks has been deferred until the 2014/15 reporting year, largely due to the pressure of work on hand. However, we do have other measures in place to ensure quality, including review of all letters by senior staff with delegated authority from the Ombudsmen.
- <sup>44</sup> Complainant satisfaction with the overall quality of our service delivery will improve as the timeliness of our interventions improves.
- <sup>45</sup> This measure, and the following 2 measures, are assessed biennially in a stakeholder survey and so were not assessed in 2012/13.
- <sup>46</sup> New measure for 2013/14.
- <sup>47</sup> The low result for this measure was due to dealing with a remaining 272 complaints, out of 1,012 complaints made in 2012/13 by one complainant against separate agencies. The complaints were resolved without investigation, however this took more than 3 months given the complexity of dealing with so many complaints in respect of one overall issue.
- <sup>48</sup> Our ability to meet some timeliness targets this year was affected by the ongoing pressure of work and demands on our resources.
- <sup>49</sup> We are unable to report against this measure, as the introduction of random quality assurance checks has been deferred until the 2014/15 reporting year, largely due to the pressure of work on hand. However, we do have other measures in place to ensure quality, including review of all letters by senior staff with delegated authority from the Ombudsmen.
- <sup>50</sup> We completed more visits that budgeted as these often took place at the same time as we were in a particular region of New Zealand to complete a full inspection.
- <sup>51</sup> The internationally accepted standard is for at least 1/3 of inspections to be unannounced.
- <sup>52</sup> We completed a greater number of training sessions than expected due to participating in a series of training sessions for new councillors following the local government elections, and requests by some agencies for agency-wide training over a number of locations.
- <sup>53</sup> This measure is assessed biennially in a stakeholder survey and so was not assessed in 2012/13.
- <sup>54</sup> Relates only to speeches and presentations within New Zealand.
- <sup>55</sup> We have seen a greater demand for us to provide speeches and presentations this reporting year, in particular interest from the media and requests for Ombudsman Ron Paterson to speak in his first full year with the Office.
- <sup>56</sup> This measure and the following measure are assessed biennially in a stakeholder survey and so were not assessed in 2012/13.



## Statement of cost of service for the year ended 30 June 2014

30/06/13 Actual \$(000)		30/06/14 Actual \$(000)	30/06/14 Main Estimates \$(000)	30/06/14 Supp. Estimates \$(000)	30/06/15 Unaudited Forecast * IPSAS \$(000)
9,598	Revenue Crown <sup>57</sup>	9,866	9,965	9,866	10,368
-	Other revenue	102	-	-	-
<u>9,598</u>	<b>Total revenue</b>	<u>9,968</u>	<u>9,965</u>	<u>9,866</u>	<u>10,368</u>
<u>(9,597)</u>	<b>Total expenses</b>	<u>9,779</u>	<u>(9,965)</u>	<u>(9,866)</u>	<u>(10,368)</u>
<u>1</u>	<b>Net surplus</b>	<u>189</u>	=	=	=

## Statement of comprehensive income for the year ended 30 June 2014

30/06/13 Actual \$(000)		Notes	30/06/14 Actual \$(000)	30/06/14 Main Estimates \$(000)	30/06/14 Supp. Estimates \$(000)	30/06/15 Unaudited Forecast * IPSAS \$(000)
	<b>Income</b>					
9,598	Revenue Crown		9,866	9,965	9,866	10,368
=	Other revenue		<u>102</u>	=	=	=
<u>9,598</u>	<b>Total income</b>		<u>9,968</u>	<u>9,965</u>	<u>9,866</u>	<u>10,368</u>
6,947	Personnel costs	2	6,831	7,219	7,234	7,239
2,443	Other operating costs	3	2,778	2,514	2,400	2,690
181	Depreciation and amortisation	4	144	206	206	354
<u>26</u>	Capital charge	5	<u>26</u>	<u>26</u>	<u>26</u>	<u>85</u>
<u>9,597</u>	<b>Total expenditure</b>		<u>9,779</u>	<u>9,965</u>	<u>9,866</u>	<u>10,368</u>
<u>1</u>	<b>Net operating surplus</b>		<u>189</u>	=	=	=
=	Other comprehensive income		=	=	=	=
<u>1</u>	<b>Total comprehensive income</b>		<u>189</u>	=	=	=

<sup>57</sup> Figures are GST exclusive. Includes Ombudsmen remuneration of \$660,000 at Supps (last year \$647,000).

\* Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.

The accompanying notes form part of these financial statements

## Statement of financial position as at 30 June 2014

30/06/13 Actual \$(000)		Notes	30/06/14 Actual \$(000)	30/06/14 Main Estimates \$(000)	30/06/14 Supp. Estimates \$(000)	30/06/15 Unaudited Forecast * IPSAS \$(000)
	<b>Assets</b>					
	<i>Current assets</i>					
860	Cash and cash equivalents		1,310	535	542	696
52	Prepayments		29	18	18	18
4	Debtors and other receivables		-	-	-	-
<u>916</u>	<b>Total current assets</b>		<u>1,339</u>	<u>553</u>	<u>560</u>	<u>714</u>
	<i>Non-current assets</i>					
230	Property, plant and equipment	6	406	92	152	1,653
148	Intangible assets — Software	7	125	286	219	251
<u>378</u>	<b>Total non-current assets</b>		<u>531</u>	<u>378</u>	<u>371</u>	<u>1,904</u>
<u>1,294</u>	<b>Total assets</b>		<u>1,870</u>	<u>931</u>	<u>931</u>	<u>2,618</u>
	<b>Liabilities</b>					
	<i>Current liabilities</i>					
436	Creditors and other payables	8	511	159	159	159
1	Return of operating surplus	9	189	-	-	-
510	Employee entitlements	10	622	425	425	425
<u>947</u>	<b>Total current liabilities</b>		<u>1,322</u>	<u>584</u>	<u>584</u>	<u>584</u>
	<i>Non-current liabilities</i>					
18	Employee entitlements	10	19	18	18	18
-	Leasehold Incentives		200	-	-	200
18	<b>Total non-current liabilities</b>		<u>219</u>	<u>18</u>	<u>18</u>	<u>218</u>
<u>965</u>	<b>Total liabilities</b>		<u>1,541</u>	<u>602</u>	<u>602</u>	<u>802</u>
<u>329</u>	<b>Net assets</b>		<u>329</u>	<u>329</u>	<u>329</u>	<u>1,816</u>
	<i>Taxpayers' funds</i>					
329	General funds	11	329	329	329	1,816
<u>329</u>	<b>Total taxpayers' funds</b>		<u>329</u>	<u>329</u>	<u>329</u>	<u>1,816</u>

\*Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.

The accompanying notes form part of these financial statements



## Statement of changes in taxpayers' funds for the year ended 30 June 2014

30/06/13 Actual \$(000)		Note	30/06/14 Actual \$(000)	30/06/14 Main Estimates \$(000)	30/06/14 Supp. Estimates \$(000)	30/06/15 Unaudited Forecast* IPSAS \$(000)
<u>329</u>	<b>Balance at 1 July</b>		<b>329</b>	329	329	1,816
1	Net operating surplus		<b>189</b>	-	-	-
(1)	Return of operating surplus to the Crown		<b>(189)</b>	-	-	-
<u>329</u>	<b>Balance at 30 June</b>	11	<b>329</b>	329	329	1,816

## Statement of cash flows for the year ended 30 June 2014

30/06/13 Actual \$(000)		Notes	30/06/14 Actual \$(000)	30/06/14 Main Estimates \$(000)	30/06/14 Supp. Estimates \$(000)	30/06/15 Unaudited Forecast* IPSAS \$(000)
<b>Cash flows from operating activities</b>						
9,598	Receipts from Crown		<b>9,866</b>	9,965	9,866	10,368
-	Receipts from other revenue		<b>102</b>	-	-	-
(7,096)	Payments to employees		<b>(6,718)</b>	(7,219)	(7,319)	(7,239)
(2,342)	Payments to suppliers		<b>(2,641)</b>	(2,514)	(2,638)	(2,690)
(26)	Payment for capital charge		<b>(26)</b>	(26)	(26)	(85)
<u>22</u>	Goods and services tax (net)		<b>(34)</b>	-	-	-
<u>156</u>	<i>Net cash from operating activities</i>	12	<b>549</b>	206	(117)	354
<b>Cash flows from investing activities</b>						
(124)	Purchase of property, plant and equipment	6	<b>(94)</b>	(93)	(93)	(1,615)
(41)	Purchase of intangible assets — software	7	<b>(4)</b>	(107)	(107)	(72)
<u>(165)</u>	<i>Net cash from investing activities</i>		<b>(98)</b>	(200)	(200)	(1,687)
<b>Cash flows from financing activities</b>						
-	Capital injections		-	-	-	1,487
(100)	Return of operating surplus		<b>(1)</b>	-	(1)	-
<u>(100)</u>	<i>Net cash from financing activities</i>		<b>(1)</b>	-	(1)	1,487

\*Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.

The accompanying notes form part of these financial statements

30/06/13 Actual \$(000)		Notes	30/06/14 Actual \$(000)	30/06/14 Main Estimates \$(000)	30/06/14 Supp. Estimates \$(000)	30/06/15 Unaudited Forecast * IPSAS \$(000)
(109)	Net increase /(decrease) in cash		<b>450</b>	6	(318)	154
<u>969</u>	Cash at beginning of the year		<b>860</b>	<u>529</u>	<u>860</u>	<u>542</u>
<u>860</u>	<b>Cash at end of the year</b>		<b><u>1,310</u></b>	<u>535</u>	<u>542</u>	<u>696</u>

## Statement of commitments as at 30 June 2014

### Non-cancellable operating lease commitments

The Office leases accommodation space and photocopiers as a normal part of its business in Auckland, Christchurch and Wellington. There are no operating or unusual restrictions placed on the Office by any of its leasing arrangements.

The agreements for the photocopiers have a non-cancellable period generally of 3 years. The accommodation leases are long-term and non-cancellable until expiry except if the premises become untenable under the terms of the lease agreement. The annual lease payments are subject to three-yearly reviews. The amounts disclosed below as future commitments are based on the current rental rate for each of the leased premises.

30/06/13 Actual \$(000)		30/06/14 Actual \$(000)
	Non-cancellable operating lease commitments	
708	Less than one year	<b>706</b>
719	One to two years	<b>860</b>
621	Two to five years	<b>2,569</b>
<u>1,139</u>	More than five years	<b><u>6,635</u></b>
<u>3,187</u>	<b>Total non-cancellable operating lease commitments</b>	<b><u>10,770</u></b>

The Office is not a party to any other lease agreements.

### Capital commitments

NIL (2013 Nil).

\*Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.

The accompanying notes form part of these financial statements



## Statement of contingent liabilities and contingent assets as at 30 June 2014

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### **Unquantifiable contingent liabilities**

As at 30 June 2014 the Office does not have any unquantifiable contingent liabilities. (2013 Nil).

### **Quantifiable contingent liabilities**

As at 30 June 2014 the Office does not have any quantifiable contingent liabilities. (2013 Nil).

### **Unquantifiable contingent assets**

As at 30 June 2014 the Office does not have any unquantifiable contingent assets (2013 Nil).

### **Quantifiable contingent assets**

As at 30 June 2014 the Office does not have any quantifiable contingent assets. (2013 Nil).



## Statement of departmental expenses and capital expenditure against appropriations for the year ended 30 June 2014

30/06/13 Actual		30/06/14 Actual	Appropriation			30/06/15 Final Voted
			Budget Night Voted	Supp. Estimates Changes	30/06/14 Final Voted	
\$(000)		\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
	<b>Vote Ombudsmen</b>					
	<b>Appropriation for output expenses</b>					
<u>8,950</u>	Investigation and resolution of complaints about government administration	<u>9,106</u>	9,320	(114)	9,206	9,703
	<b>Other expenses to be incurred by the Office</b>					
<u>647</u>	Remuneration of Ombudsmen (Permanent Legislative Authority)	<u>673</u>	<u>645</u>	<u>15</u>	<u>660</u>	<u>665</u>
<u>9,597</u>	<b>Sub total</b>	<u>9,779</u>	<u>9,965</u>	<u>(99)</u>	<u>9,866</u>	<u>10,368</u>
<u>165</u>	Office of the Ombudsmen appropriation for capital expenditure (Permanent Legislative Authority)	<u>98</u>	<u>200</u>	=	<u>200</u>	<u>1,687</u>
<u>9,762</u>	<b>Total</b>	<u>9,877</u>	<u>10,165</u>	<u>(99)</u>	<u>10,066</u>	<u>12,055</u>

This includes adjustments made during Supplementary Estimates and transfers under section 26A of the Public Finance Act 1989.



## Statement of unappropriated expenditure and capital expenditure for the year ended 30 June 2014

30/06/13 Unappropriated Expenditure \$(000)		30/06/14 Actual \$(000)	30/06/14 Appropriation Voted \$(000)	30/06/14 Unappropriated Expenditure \$(000)
	<b>Appropriation for output expenses</b>			
167	Investigation and resolution of complaints about government administration	<b>9,106</b>	9,206	-
	<b>Other expenses to be incurred by the Office</b>			
-	Remuneration of Ombudsmen (Permanent Legislative Authority)	<b>673</b>	660	-
<u>167</u>	<b>Sub total</b>	<b>9,779</b>	<u>9,866</u>	-
-	Office of the Ombudsmen appropriation for capital expenditure (Permanent Legislative Authority)	<b>98</b>	200	-
<u>167</u>	<b>Total</b>	<b>9,877</b>	<u>10,066</u>	-

The appropriation Voted includes adjustments made in the Supplementary Estimates.

### Expenses and capital expenditure approved under section 26B of the Public Finance Act 1989

There was no unappropriated expenditure for 2013/14. (2012/13 \$167,000).

### Breaches of projected net assets schedules

Nil. (2013 Nil).

## Notes to the financial statements

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### 1. Statement of accounting policies for the year ended 30 June 2014

#### Reporting entity

The Office of the Ombudsman is an Office of Parliament pursuant to the Public Finance Act 1989 and is domiciled in New Zealand.

The primary purpose, functions and outcomes of the Office are discussed at Part 3 of this report. The Office provides services to the public rather than making a financial return. Accordingly, the Office has designated itself a public benefit entity for the purposes of applying New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the Office are for the year ended 30 June 2014. The financial statements were authorised for distribution by the Chief Executive on 30 September 2014.

#### Basis of preparation

##### STATEMENT OF COMPLIANCE

The financial statements of the Office have been prepared in accordance with the requirements of the Public Finance Act 1989, which include the requirement to comply with New Zealand generally accepted accounting practices (NZ GAAP), and Treasury Instructions.

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable financial reporting standards, as appropriate for public benefit entities.

These forecast financial statements have been prepared in accordance with New Zealand Public Benefit Entity (NZ PBE) International Public Sector Accounting Standards (IPSAS). While a detailed impact assessment has yet to be completed, no significant impact is expected on transition from NZ IFRS to IPSAS.

These are the first set of prospective financial statements presented by the department under NZ PBE IPSAS. They are compliant with PBE FRS-42 *Prospective Financial Statements* and are consistent with Generally Accepted Accounting Practice. The purpose of the forecast financial statements is to facilitate Parliament's consideration of the appropriations for, and planned performance of the Office. Use of this information for other purposes may not be appropriate. Readers are cautioned that actual results are likely to vary from the forecast information presented and that the variations may be material.

#### Forecast figures

The financial forecast information for the year ending 30 June 2015 contained in these financial statements is unaudited. These are the Office's first set of prospective financial statements in accordance with New Zealand PBE IPSAS standards.

##### MEASUREMENT BASE

The financial statements have been prepared on an historical cost basis.

##### FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Office is New Zealand dollars.

*The accompanying notes form part of these financial statements*



## Changes in accounting policies

84

There have been no changes in accounting policies during the financial year.

There have been no revisions to accounting standards during the financial year which have had an effect on the Office's financial statements.

### STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Office, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Office is classified as a Tier 2 reporting entity and will apply NZ IFRS Reduced Disclosure Regime (NZ IFRS RDR). However, the Office intends to apply full Public Benefit Entity Accounting Standards (PAS). These standards have been developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Office expects to transition to the new standards in preparing its 30 June 2015 financial statements.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

## Significant accounting policies

### REVENUE

The Office derives revenue through the provision of outputs to the Crown for services to third parties. Revenue is measured at the fair value of the consideration received or receivable. Such revenue is recognised when earned and is reported in the financial period to which it relates.

### BUDGET AND FORECAST FIGURES

The budget figures are those presented in the Information Supporting the Estimates of Appropriations for the Government of New Zealand for the year ended 30 June 2014 (Main Estimates) and those amended by the Supplementary Estimates and any transfer made by Order in Council under the Public Finance Act 1989.

*The accompanying notes form part of these financial statements*

The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

The financial forecasts are based on Budget Economic Forecast Update (BEFU) and have been prepared on the basis of assumptions as to future events that the Office reasonably expects to occur, associated with the actions it reasonably expects to take.

These forecast financial statements have been compiled on the basis of existing government policies and Ministerial expectations at the time the statements were finalised.

These forecast financial statements were compiled on the basis of existing parliamentary outcomes at the time the statements were finalised.

The main assumptions are as follows:

- Estimated year end information for 2013/14 is used as the opening position for the 2014/15 forecasts.
- There are no significant events or changes that would have a material impact on the BEFU forecast.
- Factors that could lead to material differences between the forecast financial statements and the 2014/15 actual financial statements include changes to the baseline budget through new initiatives, or technical adjustments.

### **Authorisation statement**

The forecast figures reported are those for the year ending 30 June 2015 included in BEFU 2014. These were authorised for issue on 27 March 2014 by the Chief Executive who is responsible for the forecast financial statements. The preparation of these financial statements requires judgements, estimations, and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material. It is not intended that the prospective financial statements will be updated subsequent to presentation.

### **Sale of publications**

Sales of publications are recognised when the product is sold to the customer. The recorded revenue is the gross amount of the sale.

### **Capital charge**

The capital charge is recognised as an expense in the period to which the charge relates.

### **Leases**

#### **OPERATING LEASES**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.



Premises are leased for office accommodation at Auckland, Wellington and Christchurch. As all the risks and ownership are retained by the lessors, these leases are classified as operating leases and charged as expenses in the period in which they are incurred.

#### FINANCE LEASES

The Office is not party to any finance leases.

### Financial instruments

Financial assets and financial liabilities are initially measured at fair value plus transaction costs, unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

The Office is party to financial instruments as part of its normal operations. These financial instruments include bank accounts and debtors and creditors. The Office does not enter into derivative contracts.

A letter of credit exists between the Office and ASB Management Services Limited, a division of ASB Bank, to allow the bank to recover payroll costs from the Office's Westpac bank account.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held on call with banks and other short term highly liquid investments with original maturities of 3 months or less.

### Debtors and other receivables

Short term debtors and other receivables are recorded at their face value less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Office will not be able to collect amounts due according to the original terms of a receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision for impairment account, and the amount of the loss is recognised in the statement of financial performance. Overdue receivables that are renegotiated are reclassified as current (i.e. not past due).

### Property, plant and equipment

Property, plant and equipment consists of leasehold improvements, furniture and office equipment. The Office does not own any vehicles, buildings or land.

Property, plant and equipment are shown at cost, less accumulated depreciation and impairment.

All fixed assets with a unit cost of more than \$1,000, or if the unit cost is \$1,000 or less but the aggregate cost of the purchase exceeds \$3,000, are capitalised.

#### ADDITIONS

The cost of an item of property, plant and equipment is recorded as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Office and the cost of the item can be measured reliably.

In most instances an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or at nominal cost, it is recognised at fair value as at the date of acquisition.

#### DISPOSALS

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in property, plant and equipment revaluation reserves in respect of those assets are transferred to taxpayers' funds.

#### SUBSEQUENT COSTS

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Office and the cost of the item can be measured reliably.

#### DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment, at rates that will write-off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of classes of assets held by the Office are set out below.

Computer equipment	4 years	25%
Plant and other equipment	5 years	20%
Furniture and fittings	5 years	20%

The cost of leasehold improvements is capitalised and amortised over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

### **Intangible assets**

#### SOFTWARE ACQUISITION AND DEVELOPMENT

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs directly associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Office, are recognised as an intangible asset.

#### AMORTISATION

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.



The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as set out below.

Acquired computer software	4 years	25%
Developed computer software	10 years	10%

### Impairment of property, plant and equipment, and intangible assets

An intangible asset that is not yet available for use at the balance sheet date is tested for impairment annually.

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised as an expense in the statement of comprehensive income.

### Creditors and other payables

Creditors and other payables are initially measured at face value.

### Employee entitlements

#### SHORT-TERM EMPLOYEE ENTITLEMENTS

Employee entitlements that the Office expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date and long service leave entitlements expected to be settled within 12 months.

The Office recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

The Office employment agreement provides for an "open ended" sick leave entitlement, accordingly there is no sick leave liability for accounting purposes.

#### LONG-TERM EMPLOYEE ENTITLEMENTS

Entitlements that are payable beyond 12 months, such as long service leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information;
- the present value of the estimated future cash flows using the current economic assumptions; and
- the demographic assumptions used are based on New Zealand population mortality and the experience of superannuation arrangements in New Zealand and Australia.

*The accompanying notes form part of these financial statements*



The Office's terms and conditions of employment do not include a provision for retirement leave. Long service leave is available to 6 long serving staff under "grandfather" employment terms. Long service leave is not otherwise available to staff of the Office.

#### PRESENTATION OF EMPLOYEE ENTITLEMENTS

Annual leave, vested long service leave and non vested long service leave expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

### **Superannuation schemes**

#### DEFINED CONTRIBUTION SCHEMES

Obligations for contributions to KiwiSaver and other cash accumulation schemes are recognised as an expense in the statement of comprehensive income as incurred.

### **Taxpayers' funds**

Taxpayers' funds are the Crown's investment in the Office and are measured as the difference between total assets and total liabilities.

### **Commitments**

Expenses yet to be incurred on non-cancellable contracts that have been entered into on or before balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Cancellable commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in the statement of commitments at the value of that penalty or exit cost.

### **Goods and services tax (GST)**

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Remuneration paid to Ombudsmen is exempt from GST pursuant to Part 1 section 6(3)(c) of the Goods and Services Tax Act 1985.

**Income tax**

Public authorities are exempt from the payment of income tax in terms of the Income Tax Act 1994. Accordingly, no charge for income tax has been provided for.

**Budget figures**

The budget figures are those included in the Information Supporting the Estimates of Appropriations for the Government of New Zealand for the year ended 30 June 2013, which are consistent with the financial information in the Main Estimates. In addition, the financial statements also present the updated budget information from the Supplementary Estimates. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

**Statement of cost accounting policies**

The Office has one output expense appropriation. All the Office's costs with the exception of the remuneration of the Ombudsmen are charged to this output.

There have been no changes in cost accounting policies since the date of the last audited financial statements.

**Critical accounting estimates and assumptions**

In preparing these financial statements the Office has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**LONG SERVICE LEAVE**

Note (10) provides an analysis of the exposure in relation to estimates and uncertainties surrounding the long service leave liability.

**ANNUAL LEAVE**

The cost of annual leave is based on accumulated accrued annual leave due to staff as at 30 June 2014 and is calculated using expected salaries payable at that date. The Office terms of employment do not provide for anticipated annual leave.

**Critical judgements in applying accounting policies**

Management has not exercised any critical judgements in applying the Office's accounting policies for the year ended 30 June 2014.

## 2. Personnel costs

30/06/13 Actual \$(000)		30/06/14 Actual \$(000)	30/06/14 Main Estimates \$(000)	30/06/14 Supp. Estimates \$(000)	30/06/15 Unaudited Forecast* IPSAS \$(000)
6,385	Salaries and wages	<b>6,285</b>	6,736	6,836	6,878
305	Employer contributions to staff superannuation	<b>304</b>	336	336	336
(42)	Increase/(decrease) in employee entitlements	<b>53</b>	-	(85)	-
<u>299</u>	Other personnel costs	<b>189</b>	<u>147</u>	<u>147</u>	<u>25</u>
<b>6,947</b>	<b>Total personnel costs</b>	<b>6,831</b>	<u>7,219</u>	<u>7,234</u>	<u>7,239</u>

Employer contributions to superannuation plans include contributions to Kiwi Saver and other cash accumulation plans registered under the Superannuation Schemes Act 1989.

## 3. Other operating costs

30/06/13 Actual \$(000)		30/06/14 Actual \$(000)	30/06/14 Main Estimates \$(000)	30/06/14 Supp. Estimates \$(000)	30/06/15 Unaudited Forecast* IPSAS \$(000)
661	Operating accommodation lease expenses	<b>713</b>	992	992	992
81	Accommodation costs — other	<b>75</b>	64	64	64
28	Audit fees	<b>34</b>	33	33	33
86	Publications, books and statutes	<b>78</b>	93	93	93
181	Travel	<b>219</b>	207	207	207
153	Communication costs	<b>165</b>	171	171	171
<u>1,253</u>	Other operating costs	<b>1,494</b>	<u>954</u>	<u>840</u>	<u>1,130</u>
<b>2,443</b>	<b>Total operating expenses</b>	<b>2,778</b>	<u>2,514</u>	<u>2,400</u>	<u>2,690</u>

## 4. Depreciation and amortisation

30/06/13 Actual \$(000)		30/06/14 Actual \$(000)	30/06/14 Main Estimates \$(000)	30/06/14 Supp. Estimates \$(000)	30/06/15 Unaudited Forecast* IPSAS \$(000)
23	Furniture and fittings	<b>21</b>	12	12	29
78	Plant and equipment and other	<b>31</b>	65	65	72
55	Computer equipment	<b>65</b>	89	89	213
<u>25</u>	Intangible assets – software	<b>27</b>	<u>40</u>	<u>40</u>	<u>40</u>
<b>181</b>	<b>Total depreciation and amortisation</b>	<b>144</b>	<u>206</u>	<u>206</u>	<u>354</u>

\*Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.  
The accompanying notes form part of these financial statements



## 5. Capital charge

The Office pays a capital charge to the Crown on its average taxpayers' funds as at 31 December and 30 June each year. The capital charge rate for the year ended 30 June 2014 was 8.0% (2013: 8.0%) which was \$26,000 per annum.

## 6. Property, plant and equipment

Movements for each class of property, plant and equipment are set out below.

2014	Plant and Equipment \$(000)	Leasehold improvements \$(000)	IT Equipment \$(000)	Furniture and Fittings \$(000)	Total \$(000)
<b>Cost</b>					
Balance at 30 June 2013	159	458	372	198	1,187
Additions	10	213	30	40	293 <sup>58</sup>
Disposals	-	-	-	(5)	(5)
<b>Balance at 30 June 2014</b>	<b>169</b>	<b>671</b>	<b>402</b>	<b>233</b>	<b>1,475</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance at 30 June 2013	130	449	223	155	957
Depreciation	21	10	65	21	117
Accumulated depn on disposals	-	-	-	(5)	(5)
<b>Balance at 30 June 2014</b>	<b>151</b>	<b>459</b>	<b>288</b>	<b>171</b>	<b>1,069</b>
Carrying amounts					
At 30 June 2013	<b>29</b>	<b>9</b>	<b>149</b>	<b>43</b>	<b>230</b>
<b>At 30 June 2014</b>	<b>18</b>	<b>212</b>	<b>114</b>	<b>62</b>	<b>406</b>

2013	Plant and Equipment \$(000)	Leasehold improvements \$(000)	IT Equipment \$(000)	Furniture and Fittings \$(000)	Total \$(000)
<b>Cost</b>					
Balance at 30 June 2012	152	448	296	167	1,063
Additions	7	10	76	31	124
Disposals	-	-	-	-	-
<b>Balance at 30 June 2013</b>	<b>159</b>	<b>458</b>	<b>372</b>	<b>198</b>	<b>1,187</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance at 30 June 2012	103	399	168	132	802
Depreciation	27	50	55	23	155
Accumulated depn on disposals	-	-	-	-	-
<b>Balance at 30 June 2013</b>	<b>130</b>	<b>449</b>	<b>223</b>	<b>155</b>	<b>957</b>

<sup>58</sup> Leasehold incentives are recognised, therefore \$200k is added to Leasehold Improvements. This is a non cash item.

\* Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited  
The accompanying notes form part of these financial statements

2013	Plant and Equipment \$(000)	Leasehold improvements \$(000)	IT Equipment \$(000)	Furniture and Fittings \$(000)	Total \$(000)
<b>Cost</b>					
Carrying amounts					
At 30 June 2012	49	49	128	35	261
<b>At 30 June 2013</b>	<b>29</b>	<b>9</b>	<b>149</b>	<b>43</b>	<b>230</b>

## 7. Intangible assets

Movements for each class of intangible asset are set out below.

2014	Acquired Software \$(000)	Internally generated Software \$(000)	Total \$(000)
<b>Cost</b>			
Balance at 30 June 2013	78	165	243
Additions	4	0	4
Disposals	0	0	0
<b>Balance at 30 June 2014</b>	<b>82</b>	<b>165</b>	<b>247</b>
<b>Accumulated amortisation and impairment losses</b>			
Balance at 30 June 2013	52	43	95
Amortisation	11	16	27
Disposals	=	=	=
<b>Balance at 30 June 2014</b>	<b>63</b>	<b>59</b>	<b>122</b>
Carrying amounts			
At 30 June 2013	26	122	148
<b>At 30 June 2014</b>	<b>19</b>	<b>106</b>	<b>125</b>

2013	Acquired Software \$(000)	Internally generated Software \$(000)	Total \$(000)
<b>Cost</b>			
Balance at 30 June 2012	62	180	242
Additions	16	25	41
Disposals	=	(40)	(40)
<b>Balance at 30 June 2013</b>	<b>78</b>	<b>165</b>	<b>243</b>
<b>Accumulated amortisation and impairment losses</b>			
Balance at 30 June 2012	42	28	70
Amortisation	10	15	25
Disposals	=	=	=
<b>Balance at 30 June 2013</b>	<b>52</b>	<b>43</b>	<b>95</b>

The accompanying notes form part of these financial statements



2013	Acquired Software \$(000)	Internally generated Software \$(000)	Total \$(000)
<b>Cost</b>			
Carrying amounts			
At 30 June 2012	20	152	172
<b>At 30 June 2013</b>	<b>26</b>	<b>122</b>	<b>148</b>

There are no restrictions over the title of the Office's intangible assets, nor are any intangible assets pledged as security for liabilities

## 8. Creditors and other payables

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

30/06/13 Actual \$(000)		30/06/14 Actual \$(000)	30/06/15 Unaudited Forecast * IPSAS \$(000)
171	Trade creditors	<b>193</b>	<b>58</b>
207	GST payable	<b>173</b>	<b>60</b>
58	Other short-term liabilities	<b>145</b>	<b>41</b>
<b>436</b>	<b>Total creditors and other payables</b>	<b>511</b>	<b>159</b>

## 9. Return of operating surplus

Repayment of surplus is required by 31 October each year.

30/06/13 Actual \$(000)		30/06/14 Actual \$(000)	30/06/15 Unaudited Forecast * IPSAS \$(000)
1	Net operating surplus	<b>189</b>	-
1	Net surplus including Other Expenses	<b>189</b>	-
-	Approval to retain net operating surplus	=	=
<b>1</b>	<b>Net operating surplus to be returned</b>	<b>189</b>	=

\*Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.

The accompanying notes form part of these financial statements

## 10. Employee entitlements

30/06/13 Actual \$(000)		30/06/14 Actual \$(000)	30/06/14 Main Estimates \$(000)	30/06/14 Supp. Estimates \$(000)	30/06/15 Unaudited Forecast* IPSAS \$(000)
	<i>Current liabilities</i>				
338	Annual leave	398	300	300	300
15	Long service leave	7	15	15	15
	Superannuation, Superannuation Contribution Withholding Tax and salaries				
157		217	110	110	110
510	Total current liabilities	622	425	425	425
	<i>Non current liabilities</i>				
18	Long service leave	19	18	18	18
528	<b>Total for employee entitlements</b>	<b>641</b>	<b>443</b>	<b>443</b>	<b>443</b>

Every 2 years the Office engages AON consulting actuaries to determine the present value of the long service leave obligations for a group of 6 staff who retain the entitlement as a "grandfather" provision. These figures are based on the 2013/14 revaluation. Key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability. Key assumptions are set out in the table below.

Projection Year	Discount Rate	Salary Growth
1	3.42%	3.00%
2	3.93%	3.00%
3	4.11%	3.00%
4	4.25%	3.00%
5	4.41%	3.00%
6	4.59%	3.00%
7	4.76%	3.00%
8	4.86%	3.00%
9	4.91%	3.00%
10+	4.95%	3.00%

- The discount rate is based on NZ government stock yields at 31 March 2014.
- A long term annual rate of salary growth of 3.0% per annum has been assumed. This is consistent with the results of the latest AON Economists' Survey
- A promotional salary scale that depends on age and is derived from the experience of New Zealand superannuation schemes has been applied.

The Office employment agreement provides for an "open ended" sick leave entitlement, accordingly there is no sick leave liability for accounting purposes.

\*Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.

The accompanying notes form part of these financial statements



## 11. Taxpayers' funds (General funds)

30/06/13 Actual \$(000)		30/06/14 Actual \$(000)	30/06/15 Unaudited Forecast* IPSAS \$(000)
	<b>General Funds</b>		
329	Balance at 1 July	<b>329</b>	<b>1,816</b>
1	Net operating surplus	<b>189</b>	-
(1)	Provision for repayment of surplus to the Crown	<b>(189)</b>	-
<u>329</u>	<b>General Funds at 30 June</b>	<b>329</b>	<u>1,816</u>

## 12. Reconciliation of net surplus to net cash flow from operating activities for the year ended 30 June 2014

30/06/13 Actual \$(000)		30/06/14 Actual \$(000)	30/06/14 Main Estimates \$(000)	30/06/14 Supp. Estimates \$(000)	30/06/15 Unaudited Forecast* IPSAS \$(000)
<u>1</u>	Net surplus/(deficit)	<b>189</b>	=	=	=
	<i>Add/(less) non-cash items</i>				
40	Write off of assets	-	-	-	=
180	Depreciation and amortisation expense	<b>144</b>	206	206	354
<u>221</u>	Total non-cash items	<b>333</b>	206	206	354
	<i>Add/(less) movements in working capital items</i>				
	- (Inc)/dec prepayments	<b>24</b>	-	39	-
(4)	(Inc)/dec debtors	<b>4</b>	-	-	-
64	Inc/(dec) creditors and payables	<b>21</b>	-	(277)	-
(148)	Inc/(dec) employee entitlements	<b>113</b>	-	(85)	-
(3)	Inc/(dec) short term liabilities	<b>88</b>	-	-	-
<u>26</u>	Inc/(dec) GST	<b>(34)</b>	=	=	=
<u>(65)</u>	Net movement in working capital items	<b>216</b>	=	(323)	=
<u>156</u>	<b>Net cash flows from operating activities</b>	<b>549</b>	206	(117)	354

## 13. Financial instruments

The Office's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Office has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

\*Financial forecast figures are from the Budget Economic Forecast Update (BEFU) forecasts which have not been audited.

The accompanying notes form part of these financial statements



### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Office is not exposed to currency risk.

### Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates.

The Office has no interest bearing financial instruments and, accordingly, has no exposure to interest rate risk.

### Credit risk

Credit risk is the risk that a third party will default on its obligation to the Office, causing the Office to incur a loss.

In the normal course of its business, credit risk arises from debtors and deposits with banks and derivative financial instrument assets.

The Office is only permitted to deposit funds with Westpac Government Business Branch, a registered bank. This entity has a Standard and Poor's credit rating of AA. For its other financial instruments, the Office does not have significant concentrations of credit risk.

The Office's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, and net debtors.

There is no collateral held as security against these financial instruments. None of these instruments are overdue or impaired.

### Liquidity risk

Liquidity risk is the risk that the Office will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Office closely monitors its forecast cash requirements with expected cash draw-downs from the New Zealand Debt Management Office. The Office maintains a target level of available cash to meet liquidity requirements.

The table below analyses the Office's financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

2014	6 months or less \$(000)	6-12 months \$(000)	1-5 years \$(000)	more than 5 years \$(000)	Total \$(000)
Creditors and other payables	511	-	-	-	<b>511</b>
Return of operating surplus to Crown	189	-	-	-	<b>189</b>
Employee entitlements	622	-	19	-	<b>641</b>



2013	6 months or less \$(000)	6-12 months \$(000)	1-5 years \$(000)	more than 5 years \$(000)	Total \$(000)
Creditors and other payables	436	-	-	-	<b>436</b>
Return of operating surplus to Crown	1	-	-	-	<b>1</b>
Employee entitlements	510	-	18	-	<b>528</b>

### Categories of financial instruments

Actual 2013 \$(000)		Actual 2014 \$(000)
	<b>Loans and receivables</b>	
860	Cash and cash equivalents	<b>1,310</b>
4	Debtors and other receivables	<b>0</b>
<u>864</u>	<b>Total</b>	<b><u>1,310</u></b>
	<b>Financial liabilities measured at amortised cost</b>	
436	Creditors and other payables (note 8)	<b>511</b>
<u>528</u>	Employee entitlements (note 10)	<b><u>641</u></b>
<u>964</u>	<b>Total</b>	<b><u>1,152</u></b>

The carrying value of cash and cash equivalents approximates their fair value.

## 14. Capital management

The Office's capital is its equity (or taxpayers' funds) which comprise general funds. Equity is represented by net assets. The Office manages its revenues, expenses, assets, liabilities, and general financial dealings prudently. The Office's equity is largely managed as a by-product of managing income, expenses, assets and liabilities, and the Budget process agreed with Parliament's Speaker, Treasury Instructions and the Public Finance Act 1989.

The objective of managing the Office's equity is to ensure the Office effectively achieves its goals and objectives for which it has been established, whilst remaining a going concern.

## 15. Related party information

All related party transactions have been entered into on an arm's length basis.

The Office is a wholly-owned entity of the Crown. The Ombudsmen act independently. Parliament is its main source of revenue.

### Significant transactions with government-related entities

The Office has been provided with funding from the Crown of \$9.866m (2013 \$9.598m) for specific purposes as set out in its founding legislation and the scope of the relevant government appropriations.

### Collectively, but not individually, significant transactions with government-related entities

In conducting its activities, the Office is required to pay various taxes and levies (such as GST, FBT, PAYE, and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The Office is exempt from paying income tax.

The Office also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2014 totalled \$180,000 (2013 \$165,000). These purchases included air travel from Air New Zealand \$146,000 (2013 \$127,000), Audit New Zealand \$34,000 (2013 \$28,000) and postal services from New Zealand Post \$9,000 (2013 \$10,000). The outstanding amount for government-related entities at the year ended 30 June 2014 included Air New Zealand \$13,000 (2013 \$11,412), Audit New Zealand (\$9,000) (2013 NIL) and New Zealand Post \$1,000 (2013 \$821).

All other transactions entered into are with private suppliers on an arm's length basis on a normal supplier and client relationship and on terms no more or less favourable than it is reasonable to expect the Office would have adopted if dealing with that entity at arm's length in the same circumstance are not disclosed.

### Key management personnel compensation

Salaries and benefits of the 4 senior management staff of the Office amounted to the following.

Actual 2013 \$(000)		Actual 2014 \$(000)
1,007	Salaries and other short-term employee benefits	1,062
=	Post-employment benefits	14
21	Other long-term benefits	14
194	Termination benefits	=
<u>1,222</u>	<b>Key management personnel compensation</b>	<u>1,090</u>

### 16. Events after the balance sheet date

There were no post balance sheet date events in regard to the Office financial statements for the year ended 30 June 2014.

### 17. Significant variances from budgeted financial performance

There were no significant variances from budgeted financial performance.



## Part 7 Analysis, statistics & directory

# 7

The throughput of complaints, other contacts and monitoring activities	102
Contact type - who matters were received from	104
Age profiles of open and closed complaints and other contacts	105
Detailed analysis of complaints and other contacts	105
Geographical distribution of complaints and other contacts	121
Directory	122



## The throughput of complaints, other contacts and monitoring activities

### Matters received and under consideration for reported year and previous 4 years

	2009/10	2010/11	2011/12	2012/13	2013/14
On hand as at 1 July	1,330	1,720	1,359	1,746	<b>2,072</b>
Adjustment <sup>59</sup>	14	10	1	-	<b>9</b>
Received during the year	<u>9,950</u>	<u>8,706</u>	<u>10,636</u>	<u>13,684</u>	<b>11,044</b>
Total under consideration	11,294	10,436	11,996	15,403	<b>13,116</b>
Completed during the year	<u>(9,574)</u>	<u>(9,077)</u>	<u>(10,250)</u>	<u>(13,358)</u>	<b>(11,505)</b>
On hand at 30 June	<u>1,720</u>	<u>1,359</u>	<u>1,746</u>	<u>2,072</u>	<b>1,602</b>

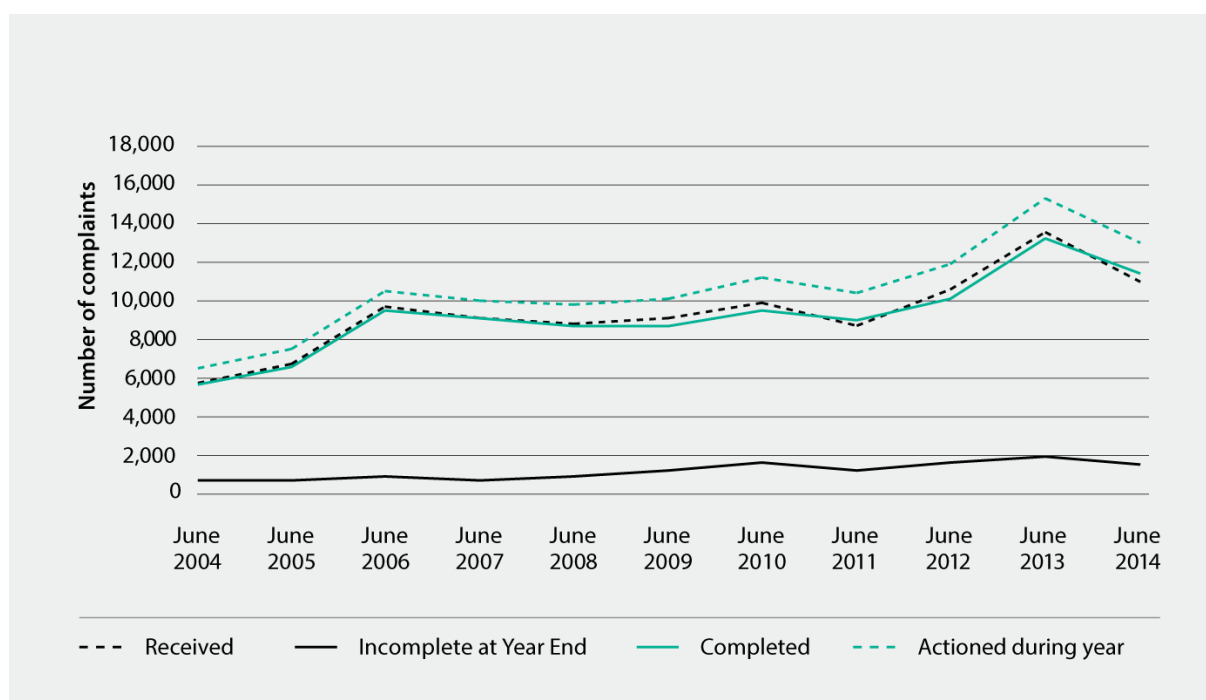


Figure 2: Overall throughput of work over the past 10 years

<sup>59</sup> Adjustments are changes made to reported statistics post completion of a reporting year that arise from the incorrect counting or classification of work.

### Breakdown of matters received and under consideration for reported year and previous 4 years

	2009/10	2010/11	2011/12	2012/13	2013/14
<b>On hand at 1 July</b>					
Ombudsmen Act	794	983	727	821	<b>690</b>
Official Information Act	428	550	504	667	<b>1,131</b>
Local Government Official Information and Meetings Act	83	101	86	136	<b>162</b>
Protected Disclosures Act	3	1	2	5	<b>2</b>
Monitoring Death in Custody investigations	-	-	15	9	<b>7</b>
Other Contacts	-	50	11	100	<b>75</b>
Other work	36	45	14	8	<b>7</b>
Adjustment	-	-	1	-	-
<b>Total</b>	<b>1,344</b>	<b>1,730</b>	<b>1,360</b>	<b>1,746</b>	<b>2,074</b>
<b>Received during the year</b>					
Ombudsmen Act	8,488	6,163	2,459 <sup>60</sup>	2,745	<b>2,478</b>
Official Information Act	920	992	1,236	2,374	<b>1,207</b>
Local Government Official Information and Meetings Act	294	256	268	271	<b>246</b>
Protected Disclosures Act	6	7	9	7	<b>14</b>
Monitoring Death in Custody investigations	-	22	12	11	<b>14</b>
Other Contacts	-	955	6,491	8,263	<b>7,081</b>
Other work	<u>242</u>	<u>311</u>	<u>161</u>	<u>13</u>	<b>4</b>
<b>Total</b>	<b>9,950</b>	<b>8,706</b>	<b>10,636</b>	<b>13,684</b>	<b>11,044</b>
<b>Disposed of during the year</b>					
Ombudsmen Act	8,250	6,411	2,383	2,878	<b>2,510</b>
Official Information Act	800	1,038	1,076	1,913	<b>1,623</b>
Local Government Official Information and Meetings Act	282	271	217	245	<b>233</b>
Protected Disclosures Act	8	6	6	11	<b>7</b>
Monitoring Death in Custody investigations	-	7	18	13	<b>13</b>
Other Contacts	-	999	6,401	8,283	<b>7,112</b>
Other work	<u>234</u>	<u>345</u>	<u>149</u>	<u>15</u>	<b>7</b>
<b>Total</b>	<b>9,574</b>	<b>9,077</b>	<b>10,250</b>	<b>13,358</b>	<b>11,505</b>

<sup>60</sup> The apparent reduction in the number of Ombudsmen Act complaints received and completed in the 2011/12 reporting year onwards results from a change in recording practice. Previously Ombudsmen Act complaints and other contacts were aggregated.



On hand at 30 June					
Ombudsmen Act	1,032	735	803	687	<b>647</b>
Official Information Act	548	504	664	1,129	<b>712</b>
Local Government Official Information and Meetings Act	95	86	137	162	<b>174</b>
Protected Disclosures Act	1	2	5	1	<b>8</b>
Monitoring Death in Custody investigations	-	15	9	7	<b>8</b>
Other Contacts	-	6	101	80	<b>50</b>
Other work	<u>44</u>	<u>11</u>	<u>27</u>	<u>6</u>	<b>3</b>
<b>Total</b>	<u>1,720</u>	<u>1,359</u>	<u>1,746</u>	<u>2,072</u>	<b>1,602</b>

## Contact type - who matters were received from

Contact type	2012/13	2013/14
General public – individuals	8,405	<b>6,785</b>
Prisoners and prisoner advocates	4,302	<b>3,417</b>
Media	392	<b>281</b>
Companies, associations and incorporated societies	195	<b>233</b>
Departments, government organisations and local authorities	179	<b>118</b>
Political party research units	70	<b>96</b>
Members of Parliament	59	<b>74</b>
Special interest groups	44	<b>18</b>
Researchers	16	<b>9</b>
Ministers	-	<b>4</b>
Trade unions	12	<b>2</b>
Other	10	<b>7</b>
<b>Total</b>	<u>13,684</u>	<b>11,044</b>



## Age profile of open and closed complaints and other contacts

### Age profile – all complaints and other contacts closed in 2013/14

	Year ended			
	30/06/11	30/06/12	30/06/13	30/06/14
Aged 6 months or less from date of receipt	89%	92%	93% <sup>61</sup>	<b>88%</b>
Aged between 7 and 12 months from date of receipt	6%	5%	3%	<b>5%</b>
Aged more than 12 months from date of receipt	5%	3%	3%	<b>7%</b>

### Age profile – all complaints and other contacts remaining open at 30 June 2014

	Year ended			
	30/06/11	30/06/12	30/06/13	30/06/14
Aged 6 months or less from date of receipt	49%	62%	38%	<b>51%</b>
Aged between 7 and 12 months from date of receipt	24%	17%	36%	<b>18%</b>
Aged more than 12 months from date of receipt	26%	21%	26%	<b>31%</b>

## Detailed analysis of complaints and other contacts

### Ombudsmen Act (OA)

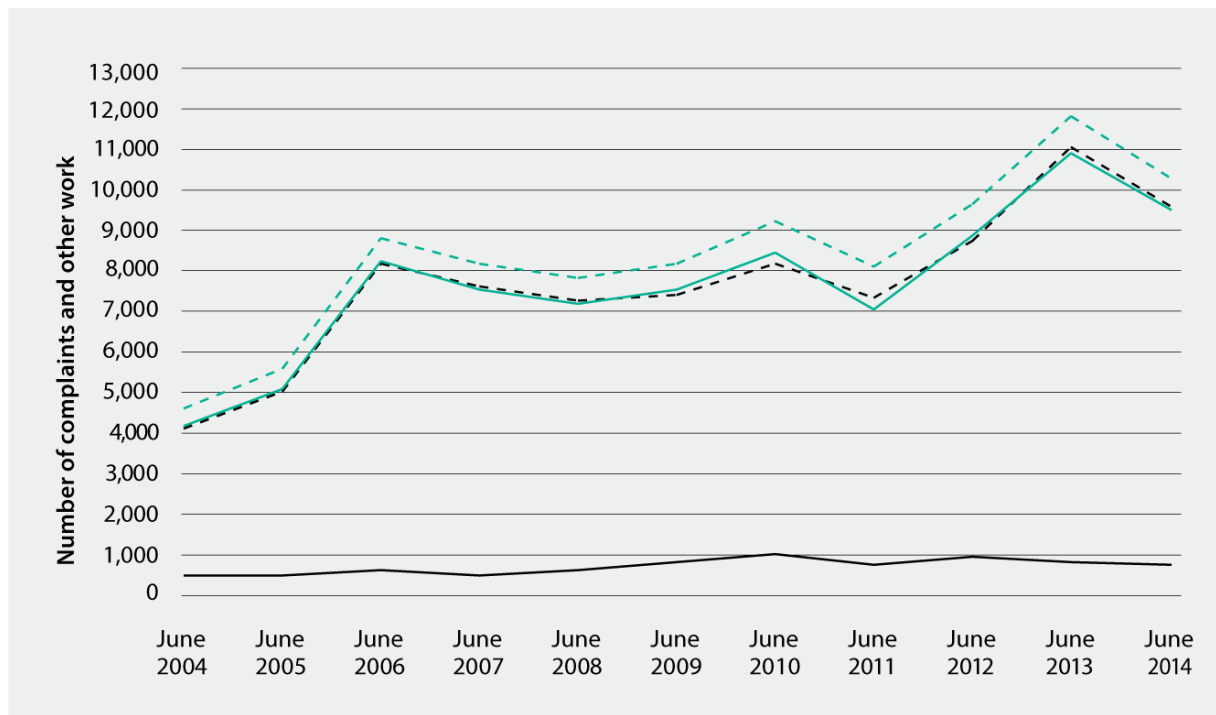


Figure 3: OA complaints and other contacts received and actioned over the past 10 years

<sup>61</sup> Achievement against timeliness performance measures for 2013/14 is detailed above, in Part 6.



OA complaints received from	2012/13	2013/14
General public – individuals	2,040	<b>1,915</b>
Prisoners and prisoner advocates	622	<b>483</b>
Companies, associations and incorporated societies	51	<b>48</b>
Media	7	<b>22</b>
Departments, government organisations and local authorities	3	<b>4</b>
Political party research units	4	<b>2</b>
Special interest groups	8	<b>1</b>
Members of Parliament	4	-
Trade unions	1	<b>2</b>
Other	5	<b>1</b>
<b>Total</b>	<b>2,745</b>	<b>2,478</b>

OA complaints received against	2012/13	2013/14
Government departments	1,396	<b>1,166</b>
Local authorities (all)	358	<b>324</b>
<i>District Councils</i>	175	<b>133</b>
<i>City Councils</i>	63	<b>75</b>
<i>Council controlled organisations</i>	20	<b>26</b>
<i>Regional Councils</i>	34	<b>12</b>
Other organisations state sector (all)	762	<b>719</b>
<i>Boards of Trustees (schools)</i>	40	<b>56</b>
<i>District Health Boards</i>	34	<b>52</b>
<i>Universities</i>	25	<b>17</b>
<i>Polytechnics</i>	31	<b>11</b>
Ministers	18	<b>20</b>
Not specified	211	<b>249</b>
<b>Total</b>	<b>2,745</b>	<b>2,478</b>

OA complaints received - greater than or equal to 15 complaints <sup>62</sup>	2012/13	2013/14
<b>Government departments</b>		
Department of Corrections	644	<b>492</b>
Ministry of Business, Innovation and Employment	310	<b>219<sup>63</sup></b>
Ministry of Social Development	166	<b>149<sup>64</sup></b>
Inland Revenue Department	81	<b>140<sup>65</sup></b>
Ministry of Justice <sup>66</sup>	31	<b>29</b>
Ministry of Education	21	<b>16</b>
<b>Local authorities</b>		
Auckland Council	55	<b>70</b>
Christchurch City Council	16	<b>20</b>
Auckland Transport	10	<b>19</b>
Wellington City Council	14	<b>17</b>
<b>Other organisations state sector</b>		
Earthquake Commission	286	<b>233<sup>67</sup></b>
Accident Compensation Corporation	91	<b>82</b>
New Zealand Police	50	<b>58</b>
Health and Disability Commissioner	35	<b>36</b>
New Zealand Transport Agency	32	<b>34</b>
Housing New Zealand Corporation	20	<b>27</b>
New Zealand Post Limited	13	<b>19</b>
Privacy Commissioner	13	<b>16</b>

<sup>62</sup> Totals are not included in some tables, where they are not relevant.

<sup>63</sup> Includes 193 complaints concerning Immigration New Zealand.

<sup>64</sup> Includes 73 Work and Income, 53 Child, Youth and Family and 6 Studylink matters.

<sup>65</sup> Includes 22 child support, 9 family support and 50 student loan matters.

<sup>66</sup> Not including courts and tribunals.

<sup>67</sup> A further 323 other contacts were received concerning the Earthquake Commission



How OA complaints were dealt with	2012/13	2013/14
<b>Outside jurisdiction</b>		
• agency not listed in schedule	233	<b>280</b>
• scheduled agency otherwise outside jurisdiction	<u>140</u>	<b>86</b>
<i>Subtotal</i>	373	<b>366</b>
<b>Referred</b>		
• referred to Health and Disability Commissioner	10	<b>17</b>
• referred to Privacy Commissioner	17	<b>12</b>
• referred to Independent Police Conduct Authority	6	<b>23</b>
• referred to Inspector-General of Intelligence and Security	=	<b>1</b>
<i>Subtotal</i>	33	<b>53</b>
<b>No investigation undertaken</b>		
• withdrawn by complainant or no response from complainant	168	<b>180</b>
• right of appeal to Court or Tribunal	94	<b>119</b>
• adequate alternative remedy – complain to agency first	612	<b>695</b>
• adequate alternative remedy – complaint referred to agency by Ombudsman	20	<b>24</b>
• adequate alternative remedy – recourse to other agency	51	<b>52</b>
• out of time	3	<b>7</b>
• trivial	4	-
• frivolous, vexatious or not in good faith	8	<b>3</b>
• insufficient personal interest	12	<b>19</b>
• explanation, advice or assistance provided	<u>985</u>	<b>590</b>
<i>Subtotal</i>	1,957	<b>1,689</b>
<b>Resolved without investigation</b>		
• remedial action to benefit complainant	115	<b>93</b>
• remedial action to improve state sector administration	1	-
• remedial action to benefit complainant and improve state sector administration	2	<b>24</b>
• provision of advice/explanation by agency or Ombudsman which satisfies complainant	<u>9</u>	<b>9</b>
<i>Subtotal</i>	127	<b>126</b>
<b>Investigation discontinued</b>		
• withdrawn by complainant or no response from complainant	30	<b>23</b>
• further investigation unnecessary	81	<b>60</b>
• agency to review	<u>5</u>	<b>2</b>
<i>Subtotal</i>	<u>116</u>	<b>85</b>

Report of the Ombudsman  
Part 7 | Analysis, statistics and directory

How OA complaints were dealt with	2012/13	2013/14
<b>Resolved during investigation</b>		
• remedial action to benefit complainant	80	<b>55</b>
• remedial action to improve state sector administration	1	<b>2</b>
• remedial action to benefit complainant and improve state sector administration	4	<b>2</b>
• provision of advice/explanation by agency or Ombudsman which satisfies complainant	<u>4</u>	<b><u>6</u></b>
<i>Subtotal</i>	89	<b>65</b>
<b>Investigation finalised (final opinion formed)</b>		
• administrative deficiency identified – recommendation/s	4	<b>11</b>
• administrative deficiency identified – no recommendation	41	<b>23</b>
• no administrative deficiency identified	127	<b>91</b>
• issues cannot be determined	<u>2</u>	<b><u>1</u></b>
<i>Subtotal</i>	174	<b>126</b>
Administration - adjustment	9	-
Under consideration at 30 June	<u>687</u>	<b><u>647</u></b>
<b>Total</b>	<b><u>3,565</u></b>	<b><u>3,157</u></b>

Nature of deficiency identified where final opinion formed on OA complaints		2012/13	2013/14
Administrative deficiency in an individual case	Procedural deficiency	17	<b>10</b>
	Unreasonable, unjust, oppressive or discriminatory act, omission or decision	9	<b>8</b>
	Inadequate advice, explanation or reasons	7	<b>5</b>
	Unreasonable delay	5	<b>5</b>
	Legal error	3	<b>4</b>
	Factual error or mistake	2	<b>2</b>
	Wrong act or decision	1	<b>1</b>
Administrative deficiency in the agency or system of government	Flawed agency processes or systems	5	<b>5</b>
	Government or agency policy: unreasonable or harsh impact	1	<b>1</b>
	Inadequate knowledge/training of agency staff	1	-



Nature of remedy obtained for OA complaints		2012/13	2013/14
Individual benefit	Decision to be reconsidered	24	<b>71</b>
	Decision changed	82	<b>54</b>
	Omission rectified	75	<b>32</b>
	Reasons/explanation given	18	<b>28</b>
	Financial remedy	18	<b>18</b>
	Apology	11	<b>15</b>
Public administration benefit	Change in practice/procedure	8	<b>30</b>
	Provision of guidance or training to staff	3	<b>14</b>
	Law/policy/practice/procedure to be reviewed	3	<b>5</b>
	Change in law/policy	1	<b>2</b>
	Provision of additional resources	-	<b>1</b>

### Official Information Act (OIA)



Figure 4: OIA complaints received and actioned over the past 10 years

Report of the Ombudsman  
Part 7 | Analysis, statistics and directory

Nature of OIA complaints made	2012/13	2013/14
Refusal	819	<b>709</b>
Delay in making decision	1,440	<b>382</b>
Extension	55	<b>47</b>
Incomplete or inadequate response	13	<b>39</b>
Charge	22	<b>15</b>
Delay in releasing information	9	<b>10</b>
Statement of reasons	-	<b>2</b>
Manner or form of release	-	<b>1</b>
Other	16	<b>2</b>
<b>Total</b>	<b>2,374</b>	<b>1,207</b>

OIA complaints received from	2012/13	2013/14
General public – individuals	1,819	<b>669</b>
Media	293	<b>192</b>
Companies, associations and incorporated societies	80	<b>123</b>
Political party research units	53	<b>86</b>
Prisoners and prisoner advocates	65	<b>68</b>
Members of Parliament	44	<b>59</b>
Researchers	3	<b>5</b>
Special interest groups	8	<b>3</b>
Departments, government organisations and local authorities	2	<b>2</b>
Trade unions	7	-
<b>Total</b>	<b>2,374</b>	<b>1,207</b>

OIA complaints received against	2012/13	2013/14
Other organisations state sector (all)	1,623	<b>521</b>
<i>District Health Boards</i>	57	<b>67</b>
<i>Boards of Trustees (schools)</i>	1,041	<b>25</b>
<i>Universities</i>	18	<b>20</b>
Government departments	571	<b>496</b>
Ministers	166	<b>175</b>
Agencies not subject to jurisdiction	3	<b>1</b>
Not specified	11	<b>14</b>
<b>Total</b>	<b>2,374</b>	<b>1,207</b>



OIA complaints received - greater than or equal to 15 complaints	2012/13	2013/14
<b>Government departments</b>		
Ministry of Social Development	97	<b>110</b>
Department of Corrections	100	<b>64</b>
Ministry of Business, Innovation and Employment	66	<b>56</b>
Ministry of Justice	31	<b>41</b>
Ministry of Health	27	<b>28</b>
Ministry of Education	51	<b>26</b>
Department of Internal Affairs	24	<b>25</b>
Department of Conservation	14	<b>24</b>
Ministry for Primary Industries	25	<b>24</b>
Ministry of Foreign Affairs and Trade	21	<b>20</b>
Inland Revenue Department	14	<b>15</b>
<b>Other organisations state sector</b>		
New Zealand Police	120	<b>134</b>
Earthquake Commission	149	<b>93</b>
Canterbury Earthquake Recovery Authority	28	<b>25</b>
Southern District Health Board	16	<b>19</b>
Accident Compensation Corporation	56	<b>17</b>
Housing New Zealand Corporation	20	<b>16</b>
<b>Ministers of the Crown</b>		
Ministry for Canterbury Earthquake Recovery	6	<b>15</b>
Minister of Justice	11	<b>15</b>



Report of the Ombudsman  
Part 7 | Analysis, statistics and directory

How OIA complaints were dealt with	2012/13	2013/14
<b>Outside jurisdiction</b>		
• agency not listed in schedule	20	<b>25</b>
• scheduled agency otherwise outside jurisdiction	<u>36</u>	<u>27</u>
<i>Subtotal</i>	56	<b>52</b>
<b>Referred</b>		
• referred to Privacy Commissioner	86	<b>77</b>
• referred to Independent Police Conduct Authority	-	<u>1</u>
<i>Subtotal</i>	86	<b>78</b>
<b>No investigation undertaken</b>		
• withdrawn by complainant or no response from complainant	167	<b>302</b>
• adequate alternative remedy – complain to agency first	12	<b>6</b>
• adequate alternative remedy – complaint referred to agency by Ombudsman	3	<b>1</b>
• adequate alternative remedy – recourse to other agency	11	<b>3</b>
• out of time	-	<b>2</b>
• frivolous, vexatious or not in good faith	-	<b>6</b>
• insufficient personal interest	1	<b>2</b>
• explanation, advice or assistance provided	<u>159</u>	<u>171</u>
<i>Subtotal</i>	353	<b>493</b>
<b>Resolved without investigation</b>		
• remedial action to benefit complainant	883	<b>298</b>
• remedial action to benefit complainant and improve state sector administration	2	<b>2</b>
• provision of advice/explanation by agency or Ombudsman which satisfies complainant	<u>14</u>	<u>132</u>
<i>Subtotal</i>	899	<b>432</b>
<b>Investigation discontinued</b>		
• withdrawn by complainant or no response from complainant	72	<b>94</b>
• further investigation unnecessary	55	<b>61</b>
• agency to review	-	<u>4</u>
<i>Subtotal</i>	127	<b>159</b>



How OIA complaints were dealt with	2012/13	2013/14
Resolved during investigation		
• remedial action to benefit complainant	99	127
• remedial action to improve state sector administration	1	<b>9</b>
• remedial action to benefit complainant and improve state sector administration	8	<b>1</b>
• provision of advice/explanation by agency or Ombudsman which satisfies complainant	<u>8</u>	<b>16</b>
<i>Subtotal</i>	116	<b>153</b>
Investigation finalised (final opinion formed)		
• administrative deficiency identified - recommendation/s	11	<b>11</b>
• administrative deficiency identified - no recommendation	125	<b>144</b>
• no administrative deficiency identified	<u>138</u>	<b>101</b>
<i>Subtotal</i>	274	<b>256</b>
Administration - adjustment	2	-
Under consideration at 30 June	<u>1,129</u>	<b>713</b>
<b>Total</b>	<b>3,042</b>	<b>2,336</b>

Nature of deficiency identified where final opinion formed on OIA complaints		2012/13	2013/14
Administrative deficiency in an individual case	Delay deemed refusal	110	<b>116</b>
	Refusal not justified – in part	18	<b>20</b>
	Refusal not justified – in whole	6	<b>11</b>
	Procedural deficiency	1	<b>4</b>
	Factual error or mistake	-	<b>1</b>
	Resource deficiency in agency	-	<b>1</b>
	Unreasonable extension	-	<b>1</b>
	Wrong action or decision	-	<b>1</b>
	Inadequate statement of reasons	2	-
	Undue delay in releasing information	1	-

Nature of remedy obtained for OIA complaints		2012/13	2013/14
Individual benefit	Omission rectified	862	<b>276</b>
	Reasons/explanation given	41	<b>165</b>
	Decision changed	120	<b>155</b>
	Decision to be reconsidered	8	<b>12</b>
	Apology	3	<b>3</b>
	Financial remedy	1	-
Public administration benefit	Provision of guidance or training to staff	3	<b>9</b>
	Change in practice/procedure	7	<b>7</b>
	Law/policy/practice/procedure to be reviewed	5	<b>7</b>
	Provision of additional resources	1	<b>7</b>
	Change in law/policy	-	<b>5</b>

### Local Government Official Information and Meetings Act (LGOIMA)

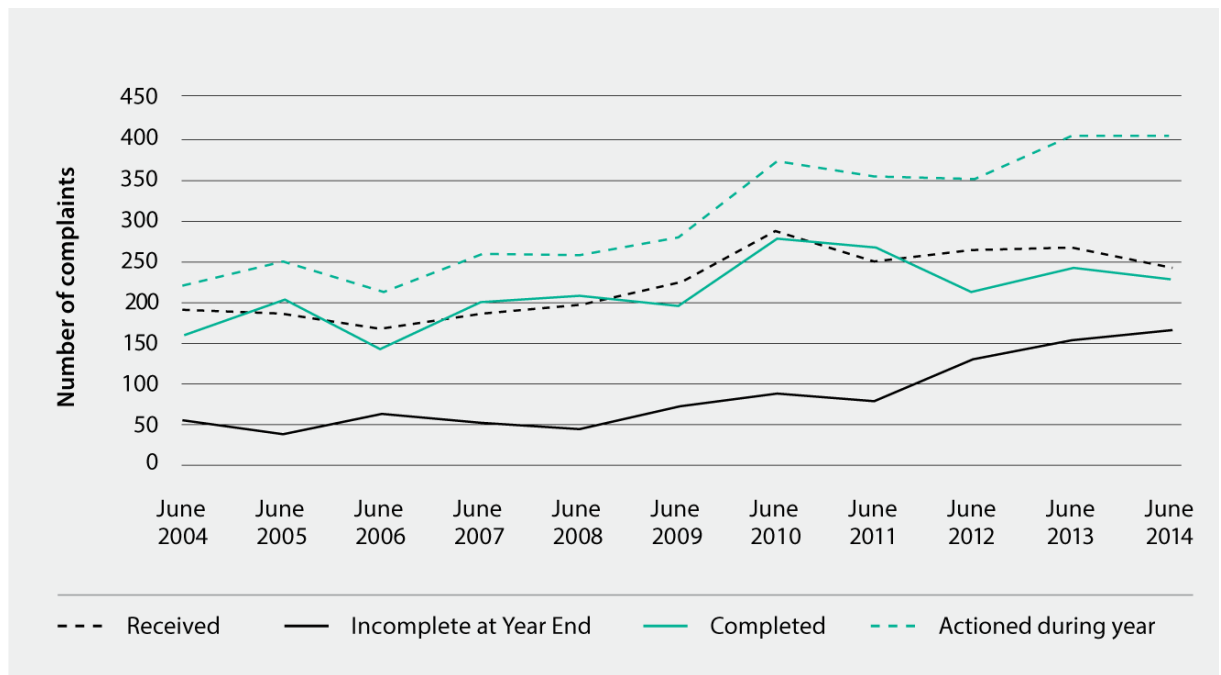


Figure 5: LGOIMA complaints received and actioned over the past 10 years



Nature of LGOIMA complaints made	2012/13	2013/14
Refusals	180	<b>161</b>
Delay in making decision	66	<b>56</b>
Charge	14	<b>14</b>
Incomplete or inadequate response	-	<b>13</b>
Extension	3	<b>2</b>
Other	8	-
<b>Total</b>	<u>271</u>	<u><b>246</b></u>

LGOIMA complaints received from	2012/13	2013/14
General public – individuals	188	<b>185</b>
Companies, associations and incorporated societies	26	<b>31</b>
Media	48	<b>26</b>
Members of Parliament	1	<b>3</b>
Special interest groups	7	<b>1</b>
Trade Unions	1	-
<b>Total</b>	<u>271</u>	<u><b>246</b></u>

LGOIMA complaints received against	2012/13	2013/14
District Councils	103	<b>69</b>
City Councils	58	<b>66</b>
Auckland Council	48	<b>61</b>
Regional Councils	15	<b>27</b>
Council controlled organisations	42	<b>19</b>
Other	5	<b>4</b>
<b>Total</b>	<u>271</u>	<u><b>246</b></u>

Report of the Ombudsman  
Part 7 | Analysis, statistics and directory

How LGOIMA complaints were dealt with	2012/13	2013/14
<b>Outside jurisdiction</b>		
• agency not listed in schedule	1	<b>2</b>
• scheduled agency otherwise outside jurisdiction	<u>2</u>	<b>4</b>
<i>Subtotal</i>	3	<b>6</b>
<b>Referred</b>		
• referred to Privacy Commissioner	5	<b>5</b>
<b>No investigation undertaken</b>		
• withdrawn by complainant or no response from complainant	33	<b>55</b>
• right of appeal to Court or Tribunal	-	<b>1</b>
• adequate alternative remedy – complain to agency first	3	<b>4</b>
• adequate alternative remedy - recourse to other agency	1	-
• frivolous, vexatious or not in good faith	2	<b>3</b>
• insufficient personal interest	1	-
• explanation, advice or assistance provided	<u>50</u>	<b>32</b>
<i>Subtotal</i>	90	<b>95</b>
<b>Resolved without investigation</b>		
• remedial action to benefit complainant	24	<b>19</b>
• provision of advice/explanation by agency or Ombudsman which satisfies complainant	<u>3</u>	<b>4</b>
<i>Subtotal</i>	27	<b>23</b>
<b>Investigation discontinued</b>		
• withdrawn by complainant or no response from complainant	5	<b>16</b>
• further investigation unnecessary	<u>16</u>	<b>2</b>
<i>Subtotal</i>	21	<b>18</b>
<b>Resolved during investigation</b>		
• remedial action to benefit complainant	33	<b>29</b>
• remedial action to benefit complainant and improve state sector administration	1	<b>1</b>
• provision of advice/explanation by agency or Ombudsman which satisfies complainant	<u>2</u>	<b>6</b>
<i>Subtotal</i>	36	<b>36</b>
<b>Investigation finalised (final opinion formed)</b>		
• administrative deficiency identified – recommendation/s	1	<b>3</b>
• administrative deficiency identified – no recommendation	30	<b>27</b>
• no administrative deficiency identified	<u>32</u>	<b>20</b>
<i>Subtotal</i>	63	<b>50</b>
Under consideration at 30 June	<u>162</u>	<b>175</b>
<b>Total</b>	<b>407</b>	<b>408</b>



Nature of deficiency identified where final opinion formed on LGOIMA complaints		2012/13	2013/14
Administrative deficiency in an individual case	Delay deemed refusal	23	<b>25</b>
	Refusal not justified – in whole	2	<b>2</b>
	Refusal not justified – in part	4	<b>2</b>
	Unreasonable charge	1	<b>1</b>
	Inadequate statement of reasons	1	-

Nature of remedy obtained for LGOIMA complaints		2012/13	2013/14
Individual benefit	Decision changed	38	<b>40</b>
	Omission rectified	18	<b>13</b>
	Reasons/explanation given	6	<b>8</b>
	Decision to be reconsidered	1	<b>3</b>
	Apology	1	<b>2</b>
	Financial remedy	1	-
Public administration benefit	Change in law/policy	-	<b>1</b>

## Other contacts

Other contacts received about	2013/14
Ombudsmen Act matters	<b>6,032</b>
Official Information Act matters	<b>518</b>
Copy correspondence, material sent for information only	<b>142</b>
Agency requests for advice	<b>103</b>
Local Government Official Information and Meetings Act matters	<b>55</b>
Protected Disclosures Act matters	<b>31</b>
Requests for information held by the Ombudsman	<b>16</b>
Crimes of Torture Act matters	<b>3</b>
Other	<b>181</b>
<b>Total</b>	<b><u>7,081</u></b>

Report of the Ombudsman  
Part 7 | Analysis, statistics and directory

Other contacts received from	2012/13	2013/14
General public – individuals	4,348	<b>4,001</b>
Prisoners and prisoner advocates	3,599	<b>2,856</b>
Departments, government organisations and local authorities	174	<b>112</b>
Media	44	<b>41</b>
Companies, associations and incorporated societies	38	<b>29</b>
Special interest groups	21	<b>13</b>
Members of Parliament	10	<b>12</b>
Political party research units	13	<b>8</b>
Trade unions	3	-
Ministers	-	<b>4</b>
Researchers	13	<b>4</b>
Other	-	<b>1</b>
<b>Total</b>	<b>8,263</b>	<b>7,081</b>

Other contacts concerned	2012/13	2013/14
Department of Corrections	3,767	<b>3,018</b>
Other organisations (state sector)	1,341	<b>1,259</b>
Other government departments	1,386	<b>1,075</b>
Agencies not subject to jurisdiction	757	<b>719</b>
Local authorities	451	<b>413</b>
Ministers	52	<b>32</b>
Not specified	<u>509</u>	<b>565</b>
<b>Total</b>	<b>8,263</b>	<b>7,081</b>



How other contacts were dealt with	2012/13	2013/14
No response required (including copy correspondence, FYI)	563	<b>528</b>
Individual advised to complain in writing/send relevant papers	779	<b>742</b>
Complain to agency first	2,523	<b>2,097</b>
Matter referred to agency by Ombudsman	313	<b>329</b>
Complain to other agency – Privacy Commissioner	143	<b>92</b>
Complain to other agency – Health and Disability Commissioner	128	<b>147</b>
Complain to other agency – Independent Police Conduct Authority	87	<b>112</b>
Complain to other agency – other	569	<b>417</b>
Explanation, advice or assistance provided	2,968	<b>2,566</b>
Resolved – remedial action to benefit individual	96	<b>22</b>
Resolved – remedial action to improve state sector administration	1	<b>1</b>
Resolved – remedial action to benefit individual and improve state sector administration	1	-
Resolved – provision of advice/explanation which satisfies individual	35	<b>22</b>
Withdrawn	39	<b>13</b>
Protected disclosures enquiry	38	<b>24</b>
Under consideration at 30 June	<u>80</u>	<u><b>49</b></u>
<b>Total</b>	<b>8,363</b>	<b>7,161</b>

Nature of remedy obtained for other contacts		2012/13	2013/14
Individual benefit	Omission rectified	59	<b>11</b>
	Decision changed	23	<b>6</b>
	Reasons/explanation given	10	<b>4</b>
	Apology	-	<b>2</b>
	Financial remedy	7	<b>1</b>
	Decision to be reconsidered	3	-
Public administration benefit	Change in practice/procedure	1	<b>2</b>
	Provision of guidance or training to staff	-	<b>1</b>
	Law/policy/practice/procedure to be reviewed	1	-
	Provision of additional resources	1	-



## Geographical distribution of complaints and other contacts received in year to 30 June 2014

	Other contacts	OA	OIA	LGOIMA	Other work	All	All Last Year
Auckland	961	680	260	75	6	<b>1,982</b>	3,823
Bay of Plenty	91	81	32	8	-	<b>212</b>	257
Northland	177	78	21	17	-	<b>293</b>	434
Waikato	459	171	76	16	2	<b>724</b>	1,030
Taranaki	36	25	27	-	1	<b>89</b>	99
Hawke's Bay	174	59	15	2	-	<b>250</b>	331
Manawatu/Whanganui	232	85	31	13	5	<b>366</b>	416
Wairarapa	16	13	4	7	-	<b>40</b>	71
East Cape	14	9	4	2	-	<b>29</b>	35
Wellington	597	256	402	48	7	<b>1,310</b>	1,787
<b>Total North Island</b>	<b>2,757</b>	<b>1,457</b>	<b>872</b>	<b>188</b>	<b>21</b>	<b>5,295</b>	8,283
Nelson/Marlborough	55	53	21	12	1	<b>142</b>	168
Dunedin	39	28	29	4	-	<b>100</b>	115
Otago	127	51	22	3	-	<b>203</b>	265
Southland	65	28	6	4	1	<b>104</b>	140
Canterbury	122	98	45	6	-	<b>271</b>	420
Christchurch	564	356	141	13	3	<b>1,077</b>	1,312
Westland	22	30	5	11	-	<b>68</b>	80
Chatham Islands	1	-	-	-	-	<b>1</b>	-
<b>Total South Island</b>	<b>995</b>	<b>644</b>	<b>269</b>	<b>53</b>	<b>5</b>	<b>1,966</b>	2,500
Location not known	3,304	291	77	10	6	<b>3,688</b>	3,074
Overseas	62	185	12	-	-	<b>259</b>	186
<b>Total</b>	<b>7,118</b>	<b>2,577</b>	<b>1,230</b>	<b>251</b>	<b>32</b>	<b>11,208<sup>68</sup></b>	14,043

<sup>68</sup> Complaints and other contacts may be made jointly with other persons. As a consequence, the number of complaints and other contacts recorded on the basis of region exceeds the number of issues that were the subject of a complaint or other contact.



## Directory

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### **Legal authorities for establishing the Office of the Ombudsman**

The Ombudsmen are appointed pursuant to sections 8 and 13 of the Ombudsmen Act 1975 and report annually to Parliament pursuant to this Act and the Public Finance Act 1989. The Ombudsmen are Officers of Parliament pursuant to section 3 of the Ombudsmen Act 1975 and the Public Finance Act 1989.

### **Contacting the Ombudsman**

Free phone: 0800 802 602

[www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz)

Email: [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz)

Post: PO Box 10152, Wellington 6143

Fax: 04 471 2254

### **Wellington**

Level 14, 70 The Terrace

### **Christchurch**

Level 1, 545 Wairakei Road, Harewood

### **Auckland**

Level 10, 55-65 Shortland Street

