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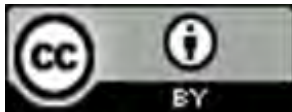
ANNUAL REPORT
2013-14

About this report

This report highlights the achievements of the Office of the Queensland Ombudsman in 2013-14. It assesses our financial and non-financial performance against the objectives set out in the 2013-18 Strategic Plan and 2013-14 Service Delivery Statements. It meets reporting obligations under the *Ombudsman Act 2001*, the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*. It also complies with the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*. Appendices are available at www.ombudsman.qld.gov.au

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12 September 2014

The Honourable Jarrod Bleijie MP
Attorney-General and Minister for Justice
State Law Building
Level 18, 50 Ann Street
BRISBANE QLD 4000

Dear Mr Bleijie

I am pleased to present the Annual Report 2013-14 and financial statements for the Office of the Queensland Ombudsman.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found at Appendix 10 of this annual report or accessed at www.ombudsman.qld.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Clarke", with a long, sweeping line extending from the bottom left.

Phil Clarke
Queensland Ombudsman

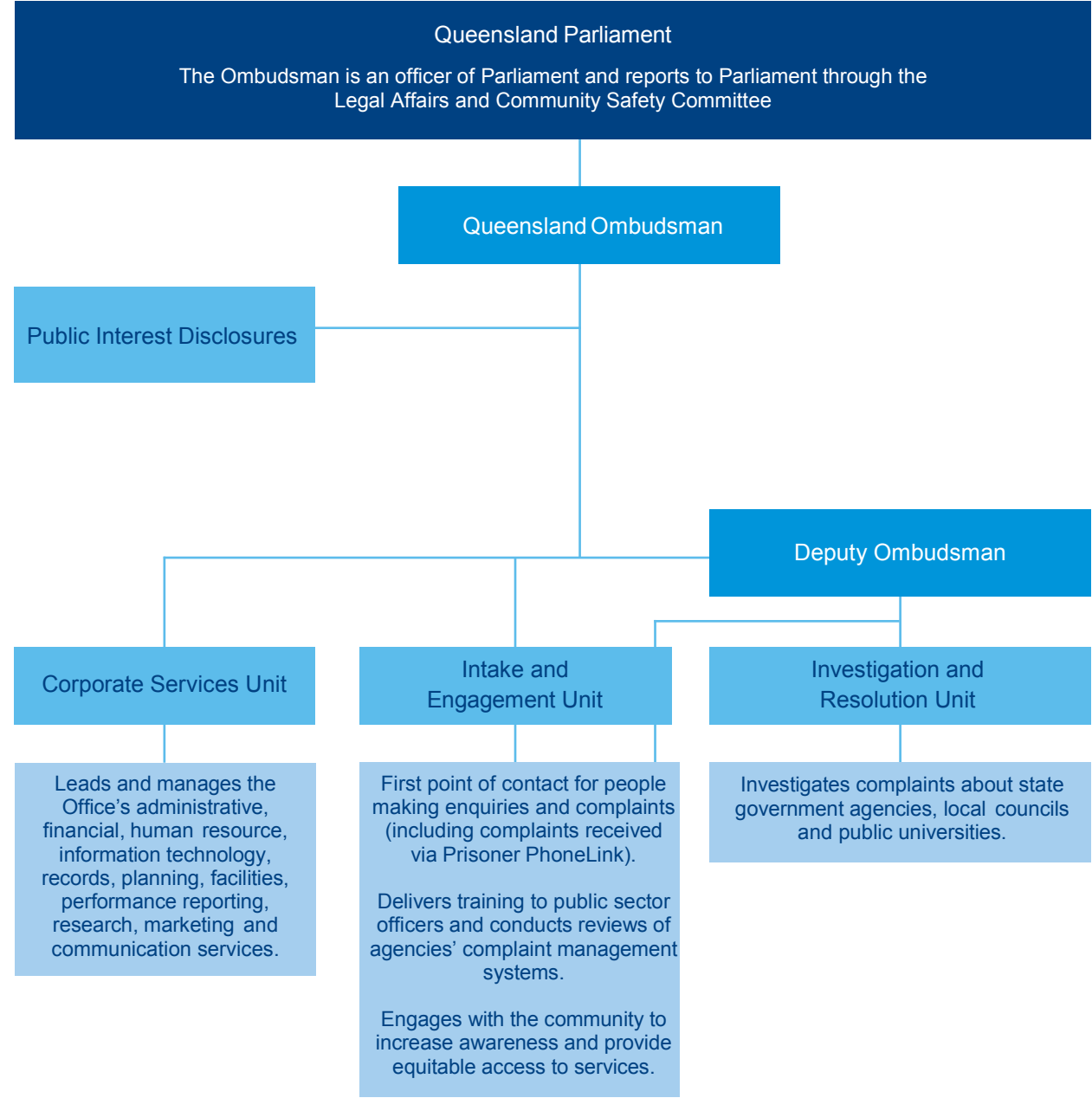
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About us

Organisational structure



The Ombudsman

Under the *Ombudsman Act 2001* (Ombudsman Act), the Ombudsman has a dual role:

- to give people a timely, effective, independent and just way of having administrative actions of agencies investigated
- to improve the quality of decision-making and administrative practice in agencies.

The Ombudsman is an officer of the Parliament and reports to the Legal Affairs and Community Safety Committee.

The Ombudsman is independent of government and may not be directed by any person in deciding what matters to investigate or how an investigation is undertaken.

The Office

The Office of the Queensland Ombudsman was established in 1974.

Jurisdiction

The Ombudsman can investigate complaints about state government agencies, local councils and public universities.

While the majority of investigations completed by the Ombudsman are based on complaints, the Ombudsman can also conduct investigations on his own initiative.

The Parliament or a Parliamentary Committee may also refer matters to the Ombudsman for investigation.

The Ombudsman can make recommendations to agencies within jurisdiction to:

- rectify unfair or unjust decisions
- improve administrative practice.

The Ombudsman does not have the power to investigate complaints about:

- Ministers and Cabinet
- courts and tribunals
- private individuals or businesses
- the operational actions of police
- Government-owned corporations
- Commonwealth or interstate government agencies.

In general, the Ombudsman will not investigate a matter until a person:

- has tried to resolve the problem directly with the agency concerned
- has exhausted any other right of review.

In addition to assessing and investigating complaints, the Office also has an administrative improvement role, providing training and advice to help agencies improve decision-making and administrative practice.

This helps ensure that Queensland's public agencies remain fair, honest and accountable. Good public administration means better services for all Queenslanders.

Queensland Ombudsman

Strategic Plan 2013-18

Vision

A trusted expert in fair and just public administration

Intent

Fairness in public administration

The work of the Ombudsman improves fairness and accountability in public administration and, through better decisions by agencies, leads to better services for all Queenslanders.

Purpose

To investigate complaints about public sector administration and work with agencies to improve their decision-making

Values

Integrity and impartiality

- We are ethical and honest in everything we do.
- We respond to complaints without bias and we do not take sides.

Fairness and respect

- We treat people equitably.
- We respect and value diversity.

Responsiveness and diligence

- We respond to complaints quickly. If we cannot help, we will explain why and, if possible, suggest another action.
- We produce timely and high quality work.
- We develop our skills and innovate our processes to improve service.

Strategic objectives

- Fair and reasonable treatment of people's complaints.
- Unfair or unjust public agency decisions are rectified.
- Public sector agencies improve their decision-making.
- The Office is a capable and accountable organisation.

Delivering services

When dealing with this Office, people can expect:

- ethical and honest behaviour
- an unbiased response to complaints
- equitable treatment
- respect for diversity
- timely, high quality work.

Highlights

The Ombudsman's report

This year was a year of consolidation for the Office, building on the many changes introduced over the previous three years. These changes flowed largely from the finalisation of the recommendations from the strategic review of the Office, undertaken by Mr Henry Smerdon AM in 2011-12.

Finalising these changes has resulted in improved handling and investigation of complaints across the Office. It has also resulted in an expanded regional service program including delivery of training, complaint management systems reviews and community engagement.

Fair and reasonable treatment of complaints

During the year, the Office continued to carry out its major role of investigating complaints about state government agencies, local councils and public universities. Improvements implemented over the last three years have seen significant improvements to business efficiency and effectiveness.

In 2013-14, the Office dealt with 11,995 contacts and finalised 6,293 complaints. Of these, 71% were finalised within 10 days of receipt.

Across the Office, it took an average of 11.6 days to finalise a complaint – continuing the improvements to the timeliness of complaints resolution seen in previous years. Significantly, the Office saw a 26% improvement in the time taken to investigate complaints. These took an average of 55.6 days to finalise in 2013-14 compared to 75.3 days the previous year.

Of the 158 complaints open at 30 June 2014, 66% were matters received within the last 30 days of the financial year. There were only two complaints open for more than 12 months.

Rectifying unfair or unjust decisions

In 2013-14, the Office conducted 932 investigations. Of these, 156 (17%), resulted in the total or partial rectification of the issue.

I made 146 investigation recommendations, of which 96% were accepted by the agencies at the date of this report.

Overall, the number of investigations completed increased by 12%, with a 26% increase in rectifications from 2012-13.

These outcomes underline the vital role the Ombudsman plays in assisting individual citizens to challenge unfair and unjust decisions and helping publicly funded agencies to improve their administration.

Three major investigations were completed in 2013-14:

- *The Liquor Report: An investigation into the regulation of licensed premises by the Office of Liquor and Gaming Regulation*
- *The Ownership Transfer Fee: An investigation into the Brisbane City Council's fee for recording a change of property ownership in its land record*
- *The Water Licences Report: An investigation into the administration of water licence decision-making under Chapter 2, Part 6 of the Water Act 2000.*

Helping public agencies improve decision-making

Demand for training to public sector officers increased by 67%, compared to 2012-13.

During the year 137 training sessions were delivered to 2,202 public sector officers, with 81 sessions held in regional Queensland. Training included good decision-making, effective complaints management, administrative investigations and ethical decision-making.

In addition, subscriptions to the Office's five newsletters for key stakeholders increased again this year by a further 10%.

This work is a pivotal part of the Office's administrative improvement function under the Ombudsman Act and helps to promote access to our services across the community.

Oversight of public interest disclosures

This year saw a significant decrease in public interest disclosures (PIDs), down 39% on the previous year.

Of the 725 PIDs reported by agencies, 91% were about official misconduct, with state government departments the main source of

Highlights

PIDs (63%). Almost half of the disclosures were substantiated (47%). The Office continues to work with agencies to ensure that PIDs remain an accessible avenue for *blowing the whistle* on inappropriate behaviour across the public sector.

Engaging with the community

The Office continued its work on providing an equitable and accessible service for all Queenslanders this year.

The Regional Services Program (RSP) was expanded in 2013-14 to improve awareness of the Office and access to its services for communities in regional and remote areas. As part of the program, Queensland Ombudsman employees may visit correctional centres, deliver training or information sessions, attend community meetings, or meet with local councillors and Members of Parliament. Fifty-seven regional centres were visited this year. The program was positively received and will be expanded again in 2014-15.

In conjunction with the RSP, the Office continued to promote awareness and accessibility to Indigenous and multicultural communities, the homeless and prisoners. Activities included delivering presentations, attending festivals, meeting with peak agencies and distributing brochures and newsletters.

Collaboration with other complaints agencies continued this year. The *It's OK to Complain* web portal is a 'one-stop-shop' designed to help people find the right agency to investigate their complaint. Agencies involved included the Anti-Discrimination Commission Queensland, the Commission for Children and Young People and Child Guardian, the Commonwealth Ombudsman, the Crime and Misconduct Commission and the Health Quality and Complaints Commission. With changes to a number of these organisations, the web portal will be updated in 2014-15.

A capable and accountable organisation

During the year a review of the Corporate Services Unit (CSU) was completed to consider how the staffing structure could best meet future business needs within existing resources.

In 2014-15 there will be a significant emphasis on improving the way in which information is managed in the Office. This will include delivering an information management strategic plan, replacing desktops and implementing an electronic document management system.

Professional development for staff continues as a priority to ensure the Office has a high standard of corporate governance and customer service. Initiatives delivered during the year focused on leadership skills, written communication, investigative skills, legislative requirements and cultural awareness.

A new phone system was also installed as part of a major upgrade to deliver greater efficiencies when managing complaints over the phone.

Opportunities

As the Office celebrates its 40th year of operation in 2014-15, recent changes to the State's child protection arrangements and the Crime and Corruption Commission mean that the Office is likely to receive increased numbers of, and increasing complexity of, complaints. While this may be challenging, it is also an opportunity to build on the Office's reputation and ensure that citizens do not suffer any disadvantage.

I personally look forward to these changes and to promoting the Office's role in creating a fair and just public sector. Finally, I would like to thank Queensland Ombudsman staff for their continued dedication and professionalism. Their hard work ensures the Office continues to achieve its objectives and contributes to improved public services for all Queenslanders.



Phil Clarke
Ombudsman

Performance snapshot

The objectives, strategies and performance indicators shown here are drawn from the *Queensland Ombudsman Strategic Plan 2013-2018*. Some performance indicators are also Service Delivery Statement measures.

Table 1: Objective 1

Fair and reasonable treatment of people's complaints		
Key performance indicators	Target	Actual
Average time to complete assessments	10 days	6 days
Proportion of investigations completed within target timeframes (straightforward in 3 months, intermediate in 6 months and complex in 12 months)	90%	93%
Proportion of investigations closed through informal resolution	95%	96%
Proportion of complaints finalised within 12 months of lodgement ¹	99%	100%
Proportion of clients satisfied/very satisfied with the level of service provided ²	80%	62%
Proportion of contacts received from outside of south-east Queensland metropolitan area ³	35%	37%
Clearance rate for complaints ⁴	100%	100%
Proportion of complaints reviewed where original decision upheld	80%	85%

1. The Office finalised 99.9% of complaints within 12 months of lodgement. All figures in the table above have been rounded.
2. This is a weighted result based on two surveys, the first of people who have dealt only with an officer from the Registration and Preliminary Assessment team (conducted in 2012-13) and the second a survey of people with a complaint investigated by the Investigation and Resolution Unit (conducted in 2013-14). The calculation of satisfaction is based on the service elements of helpfulness, respectfulness, professionalism and timeliness with weightings applied that reflect the proportion of complaints finalised by each team.
3. South-east Queensland includes: Brisbane City Council, Moreton Bay Regional Council, Gold Coast City Council, Ipswich City Council, Logan City Council, Redland City Council, Sunshine Coast Council and Noosa Shire Council.
4. The Office cleared 99.7% of complaints. All figures in the table above have been rounded.

Table 2: Objective 2

Unfair and unjust public agency decisions are rectified		
Key performance indicators	Target	Actual
Proportion of recommendations accepted by the relevant agency at the time of reporting ¹	90%	96%
Proportion of investigations resulting in agency rectification action	10%	17%

1. This includes agreed actions where the Office worked with the agency and complainant to negotiate a resolution without the need for a recommendation made under s.50 of the Ombudsman Act.

Table 3: Objective 3

Public sector agencies improve their decision-making		
Key performance indicator	Target	Actual
Number of training participants (SEQ/regional)	2,500 annually	2,202
Number of agencies whose staff attended training	25 annually	24
Proportion of training participants who reported that training would assist their decision-making	80%	98%
Growth in subscriptions to Ombudsman publications	5% annually	10%

Table 4: Objective 4

The Office is a capable and accountable organisation		
Key performance indicator	Target	Actual
Workforce statistics (including EEO)	Not applicable	A diverse workforce: 66% of staff are women; 15% of staff have a disability; and 15% of staff come from a non-English speaking background.
Permanent staff separation ¹	Below 7.5%	10%
Staff training and development expenditure ²	2% of salary budget	1.6% of salary budget
Unqualified financial statements	Achieved	Achieved
Staff satisfaction	Not applicable	Staff satisfaction is measured every two years. The next survey will be undertaken in 2014-15.

1. The workforce remained relatively stable. Six employees left during 2013-14 due to retirement, opportunities for promotion and relocation interstate.
2. All staff attended at least one professional development activity during the year. Most training was undertaken at no cost. Further information is provided at page 47.

Service delivery statement

This section sets out the actual end of year position for all measures published in the Queensland Ombudsman's *Service delivery statement 2013-14* (SDS).

Table 5: Performance statement

	Notes	2013-14 Target/est.	2013-14 Estimated actual	2013-14 Actual
Service area: Independent review of complaints about government administration				
Service standards				
Proportion of recommendations accepted and agreed actions by agencies		90%	96%	96%
Average time to complete assessments	1	10 days	5 days	6 days
Proportion of investigations completed within target timeframes		90%	92%	93%
Proportion of complaints finalised within 12 months of lodgement	2	99%	100%	100%
Proportion of investigations resulting in agency rectification action	3	10%	15%	17%
Proportion of complaints reviewed where original decision upheld	4	80%	84%	85%
Proportion of clients satisfied/very satisfied with level of service provided by the Office	5	80%	64%	62%
Clearance rate for complaints	6	100%	99%	100%

1. The Office has been able to achieve an average time to complete assessments of 5.6 days through efficient and effective work practices. The time to complete an assessment is influenced by the number and complexity of matters and the availability of information from complainants and agencies. All figures in the table have been rounded.
2. The Office finalised 99.9% of complaints within 12 months of lodgement. All figures in the table have been rounded.
3. This service standard measures the proportion of investigations that result in agency rectification actions. Improved decision-making by agencies/local councils will result in a lower percentage of rectifications from investigations by the Office.
4. This service standard measures the quality of investigation decisions made by the Office. Where complainants are dissatisfied with a decision of this Office in relation to their complaint, or subsequently are able to provide new information, they can request a review by a more senior officer. The Office has no control over the number of reviews requested. This measure confirms that effective investigations have been undertaken, or where decisions are overturned, provides opportunities to identify improvements in the investigation process.
5. This service standard reports on client satisfaction with service delivery (helpfulness, respectfulness, professionalism and timeliness), based on a survey of people who dealt with the Office as part of a complaint or investigation. The level of client satisfaction was affected by the high proportion of complainants, whose complaint was declined for investigation, being included in the survey.
6. This service standard compares the number of matters closed with the number of new matters opened in the financial year. It is affected by both the number and timing of new matters and closures. A number below 100% does not necessarily indicate an increasing backlog, but may be a result of increased numbers of new matters being opened late in the year. All figures in the table have been rounded. As in Table 1 the Office cleared 99.7% of complaints. All figures in the table above have been rounded.

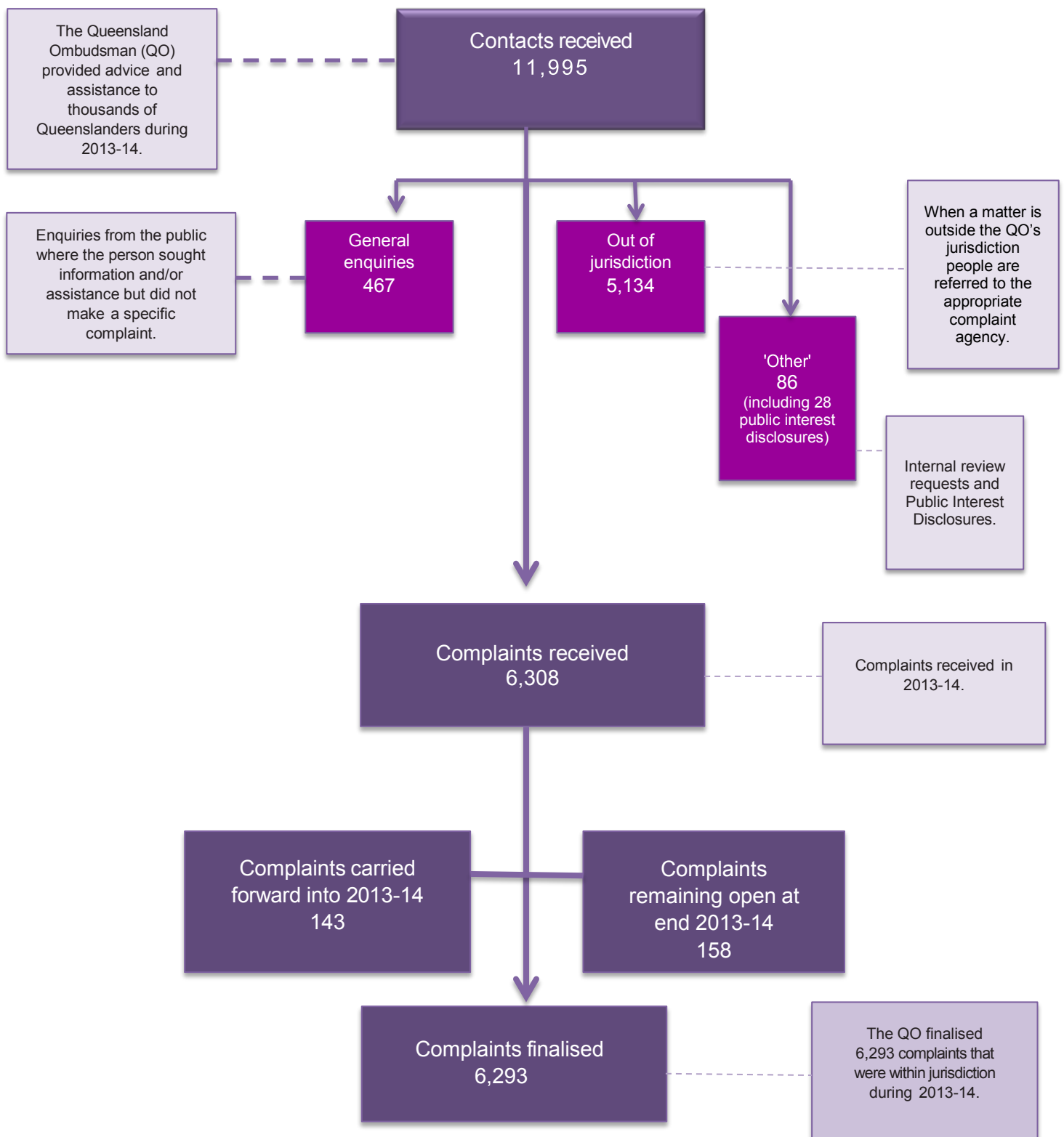
Dealing with complaints

Objective 1

Fair and reasonable treatment of people's complaints

Dealing with complaints

Figure 1: Contacts and complaints received



Overview

People who contact the Office are generally seeking help to resolve their complaint. This year, almost 12,000 Queenslanders contacted the Office, including members of the public, agency officers, Members of Parliament and other community representatives.

The Office provided a service to each and every one, ranging from:

- general advice and assistance
- direct referral of complaints to agencies
- informal resolution of complaints
- investigations
- recommendations to rectify administrative errors.

Of the 11,995 contacts in 2013-14:

- 6,308 were complaints
- 5,134 were matters outside jurisdiction
- 467 were general enquiries
- 58 were requests for a review of an Ombudsman decision
- 28 were public interest disclosures.

Advice and assistance

The Office does not investigate every matter brought to its attention, but each and every contact is assessed and a response provided. In addition to dealing with 6,308 complaints the Office responded to 5,134 matters outside the jurisdiction of the Office and provided people with advice and practical assistance to progress their complaint.

The Office also handled 467 general enquiries from people seeking information and assistance.

The Office continues to work hard to reduce the resources applied to out of jurisdiction matters while still providing advice to help people navigate the complaint process and find the appropriate avenue for resolution of their complaint.

As can be seen in Figure 2, the total number of out of jurisdiction contacts received in 2013-14 has significantly decreased from the previous year.

This is in part the result of changes to the way in which out of jurisdiction matters received via the online complaint form are recorded and reported.

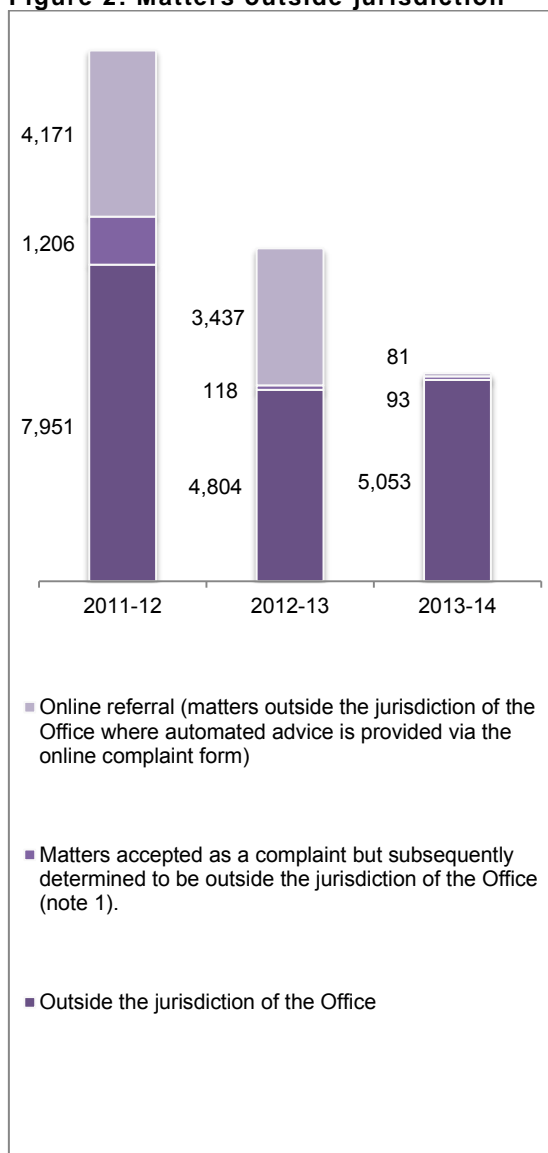
When a person uses the Office's online complaint form to make a complaint about an entity outside the jurisdiction of the Ombudsman, the form generates automatic advice informing them of the appropriate complaints process. These historically have been described as online referrals and were recorded as out of jurisdiction contacts.

In July 2013, the Office stopped recording these matters to more accurately reflect the actual workload of the Office.

When these online contacts are excluded from previously reported figures, on a like-for-like basis there was a 5% increase in out of jurisdiction contacts in 2013-14 compared to 2012-13 (5,053 to 4,804).

Dealing with complaints

Figure 2: Matters outside jurisdiction



1. As was previously detailed in the 2012-13 annual report, in 2011-12, all matters received in writing by the Office were recorded and reported as complaints even if they were out of jurisdiction. This resulted in a high number of out of jurisdiction matters being initially classified and reported as a complaint but subsequently being declined as out of jurisdiction. In July 2012, this practice ceased and all out of jurisdiction matters were recorded as such, irrespective of whether they were received in writing or not.

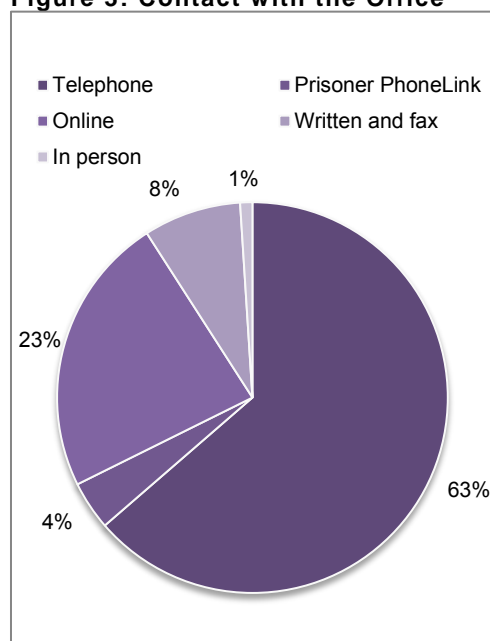
Contact with the Office

This year, 7,556 people contacted the Office by telephone, a 3% increase from 2012-13. A further 512 people used the Prisoner PhoneLink telephone service, up from 460 people in 2012-13.

This year, 2,810 people contacted the Office via email or the online complaint form (6,206 in 2012-13). The 55% decline is due to the fact that the Office no longer records and reports online contacts where only automated advice is generated.

In 2013-14, 1,117 people contacted the Office via letter, fax or in person (1,161 in 2012-13).

Figure 3: Contact with the Office



Complaints received

The Office's primary role is to independently review complaints about state agencies, local councils and public universities.¹

This provides an avenue for individuals to raise concerns about the administration of key public services and helps ensure open, honest and accountable government.

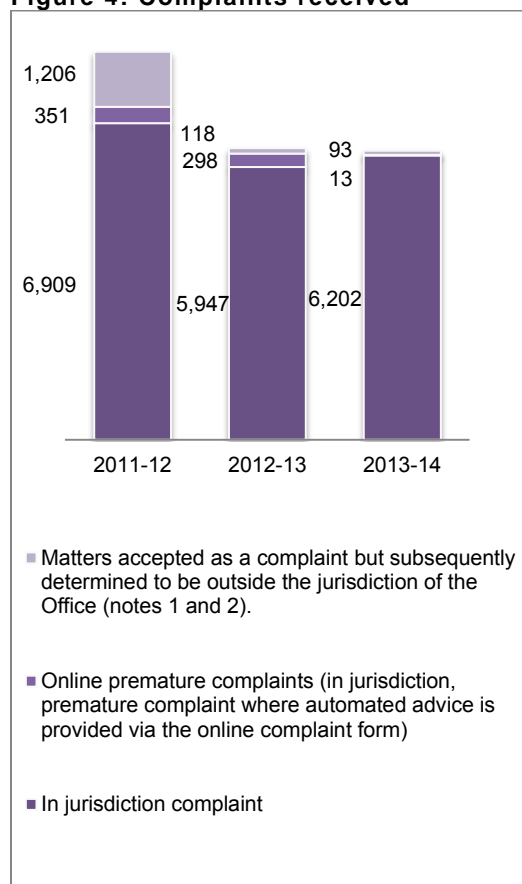
The Office received 6,308 complaints in 2013-14, compared to 6,363 the previous year.

In addition to ceasing to record out of jurisdiction matters received via the online complaint form (discussed at page 13), the Office also stopped recording premature complaints received via the online complaint form where people simply received automated advice.

Before July 2013, these matters were reported as complaints. When a person uses the online complaint form to make a complaint about an agency within the jurisdiction of the Office, but indicates that they have not yet raised the matter with the agency concerned (thus the complaint is considered to be premature), they receive automated advice directing them to raise the complaint with the agency before lodging the matter with this Office.

Figure 4 shows complaints received over the past three years, with an estimation of premature complaints received via the online complaint form and out of jurisdiction matters previously reported as complaints. On a like-for-like basis, the Office received 6,202, 4% more complaints in 2013-14, compared to 2012-13.

Figure 4: Complaints received



1. In 2011-12, all matters received by the Office in writing were recorded and reported as complaints even if they were out of jurisdiction. This resulted in a high number of out of jurisdiction matters being initially classified and reported as a complaint but subsequently being declined as out of jurisdiction. In July 2012, this practice ceased and all out of jurisdiction matters were recorded as such, irrespective of whether they were received in writing or not.
2. Out of jurisdiction matters received are estimates based on outcome coding.

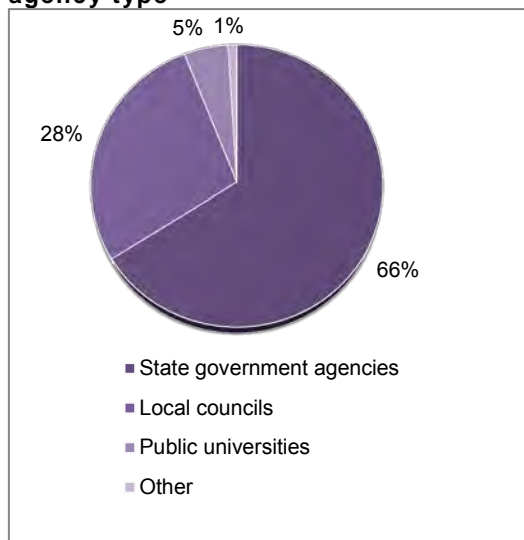
The total complaints received (6,308) can be broken into the following categories:

- 66% about state government agencies (4,169) including departments and statutory authorities
- 28% were about local councils (1,778)
- 5% were about public universities (338)
- less than 1% were about other authorities (23).

¹ State agencies include government departments and statutory authorities.

Dealing with complaints

Figure 5: Complaints received by agency type



Complaints received about state agencies

In 2013-14, the Office received 4,169 complaints about state agencies, including departments and statutory authorities. This represented 66% of all complaints received in 2013-14 and a 2% increase from the 4,217 complaints received in 2012-13 when premature online complaints are removed from the comparison.

Figure 6: Complaints received about state agencies



This data has not been adjusted for premature complaints received via the online complaint form where people simply received automated advice, or for written matters that were outside the jurisdiction of the Office that were recorded as complaints.

The Office received 3,435 complaints about state government departments, a 4% decline on the previous year.

Departments that provide key services attracted the majority of complaints:

- Department of Community Safety (23%)
- Department of Housing and Public Works (14%)
- Department of Education, Training and Employment (11%)
- Department of Transport and Main Roads (11%)
- Department of Communities, Child Safety and Disability Services (9%)
- Queensland Health (9%).

Departments contributing to the decline in complaints about state government departments are:

- Department of Justice and Attorney General with 50 fewer complaints
- Department of Communities, Child Safety and Disability Services with 45 fewer complaints
- Department of Transport and Main Roads with 41 fewer complaints.

Dealing with complaints

Table 6: Complaints received about state government departments

	2011-12	2012-13	2013-14
Department of Community Safety	1,106	746	802
Queensland Corrective Services	803	599	664
Queensland Parole Board	266	98	96
Emergency Services	37	49	42
Department of Housing and Public Works^{1, 2, 3}	583	516	488
Housing Services	448	371	410
Queensland Building and Construction Commission ⁴	79	91	50
Residential Tenancies Authority	21	31	15
Other business units/service areas	35	23	13
Department of Education, Training and Employment	431	459	370
Education Queensland	361	372	356
TAFE Queensland ⁵	59	74	0
Other business units/service areas	11	13	14
Department of Transport and Main Roads⁶	658	413	372
Department of Communities, Child Safety and Disability Services	420	362	317
Child Safety Services	330	296	266
Disability Services	57	44	27
Other business units/service areas	33	22	24
Queensland Health	351	331	322
Department of Justice and Attorney-General	270	211	161
Liquor, Gaming and Fair Trading	80	54	37
Queensland Civil and Administrative Tribunal	72	55	52
Fair and Safe Work Queensland	21	21	17
Queensland Courts	35	10	11
Other business units/service areas	62	71	44
Queensland Treasury⁷	183	191	183
Office of State Revenue	177	184	174
Other business units/service areas	6	7	9
Queensland Police Service	140	46	46
Department of the Premier and Cabinet	18	4	3
Other state government entities⁸	0	384	371

This data has not been adjusted for premature complaints received via the online complaint form where people simply received automated advice, or for written matters outside the jurisdiction of the Office but recorded as complaints. Machinery-of-Government (MOG) changes in mid-2012 made year-on-year data comparisons problematic for 2012-13 versus 2011-12. Where business units and service areas remained intact, comparisons are presented for the purpose of identifying broader complaint trends. Where a whole business unit was moved to another department, all back data has been presented to allow comparison. Where business units have been split between several departments, no back data is available.

1. The 2011-12 annual report included a breakdown of complaints about QBuild and Public Works. After MOG changes, this data is unavailable, so both current and back data have been included in the 'other' category.
2. Housing and Homelessness Services, part of the Department of Communities up to 2011-12, moved to the Department of Housing and Public Works as part of MOG changes. The back data has also been moved to allow a more consistent comparison of data.
3. Residential Tenancies Authority moved to the Department of Housing and Public Works as part of MOG changes.
4. In December 2013, the Queensland Building and Construction Commission (QBCC) replaced the Queensland Building Services Authority which was part of the Department of Housing and Public Works (refer to Table 7 for QBCC complaint data).
5. TAFE Queensland was established as a statutory authority on 1 July 2013. In 2011-12 and 2012-13 TAFE was part of the Department of Education, Training and Employment (refer to Table 7 for 2013-14 complaints received).
6. No breakdown for Transport and Main Roads is available due to MOG changes.
7. The State Penalties Enforcement Registry (SPER) moved into the Office of State Revenue, Queensland Treasury due to MOG changes. SPER complaints for 2011-12 are now included in the overall number for the Office of State Revenue.
8. Complaint numbers about other entities include:
 - Department of Energy and Water Supply and the Department of Natural Resources and Mines (which includes complaints about Mines and Energy), moved from the former Department of Employment, Economic Development and Innovation (DEEDI) as part of MOG changes.
 - Department of Agriculture, Fisheries and Forestry, which includes the Queensland Rural Adjustment Authority, Primary Industries and Australian Agricultural College, were all moved from DEEDI as part of MOG changes.
 - The Department of Environment and Heritage Protection was created from the Department of Environment and Resources Management (DERM) as part of MOG changes. Certain elements of DERM moved to the Department of Energy and Water Supply.
 - Translink; Queensland Motorways Limited; Department of Tourism, Major Events, Small Business and Commonwealth Games; Department of Science, Information Technology, Innovation and Arts; Department of National Parks, Recreation, Sport and Racing; Department of State Development, Infrastructure and Planning; Mental Health Review Tribunal, and the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs.

Dealing with complaints

The Office received 734 complaints about statutory authorities. This constitutes a 37% increase relative to 2012-13 when premature online complaints are removed from the comparison.

This change is driven by restructuring within government departments. In 2013-14 both TAFE Queensland and Queensland Rail became statutory authorities, along with the Queensland Building and Construction Commission. These three agencies account for 125 additional statutory authority complaints.

The majority of statutory authority complaints were about:

- The Public Trustee (23%)
- WorkCover Queensland (15%)
- Legal Aid Queensland (13%)
- Health Quality and Complaints Commission (11%).

Table 7: Complaints received about statutory authorities

	2011-12	2012-13	2013-14
The Public Trustee	196	182	168
WorkCover Queensland	119	91	110
Legal Aid Queensland	102	85	98
Health Quality and Complaints Commission	90	86	80
Legal Services Commission	49	39	65
The Office of the Adult Guardian	46	30	32
Q-COMP	25	6	22
TAFE Queensland ¹	0	0	57
Queensland Rail ²	0	0	49
Queensland Building and Construction Commission ³	0	0	19
Other statutory authorities ⁴	0	0	34

1. TAFE Queensland was established as a statutory authority on 1 July 2013. In 2011-12 and 2012-13 TAFE was part of the Department of Education, Training and Employment (refer to Table 6).
2. Queensland Rail was established as a statutory authority in May 2013. It was previously a government-owned corporation.
3. In December 2013, QBCC replaced Queensland Building Services Authority which was part of the Department of Housing and Public Works (refer to Table 6 for QBCC complaint data).
4. Other authorities include the Commission for Children and Young People and Child Guardian (6 complaints), Energy and Water Ombudsman (5), QLeave (9), Crime and Misconduct Commission (3), Office of the Information Commissioner (3) and Queensland Reconstruction Authority (3).

Complaints received about local councils

In 2013-14, the Office received 1,778 complaints about local councils, an increase of 10% when premature online complaints are removed from the comparison.

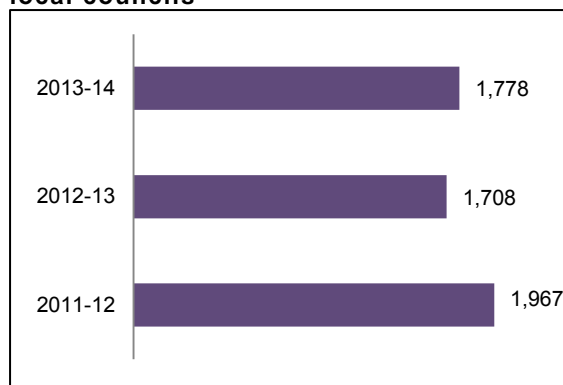
Major areas of complaint included:

- the actions taken by local councils to enforce state and local laws (17%)
- local councils approving/failing to approve building and development applications (11%)
- the levying of rates by local council and the administration of various concessions (14%).

The complaint areas experiencing the highest growth are:

- the levying of rates and valuations with 60 more complaints
- matters relating to water supply, particularly in relation to fees or charges imposed including charges for excess water, maintenance or the quality of service provided, with 55 more complaints
- waste management matters including contracting arrangements, fees or charges imposed, or service quality, with 54 more complaints.

Figure 7: Complaints received about local councils



This data has not been adjusted for premature complaints received via the online complaint form where people simply received automated advice, or for written matters that were outside the jurisdiction of the Office that were recorded as complaints.

Dealing with complaints

Table 8: Complaints received about local councils

	2011-12	2012-13	2013-14
Laws and enforcement	459	382	309
Rates and valuations	191	184	244
Development and building controls	270	224	202
Water supply	51	88	143
Environmental management	139	154	142
Roads	143	112	99
Complaint handling	52	66	82
Waste management ¹	28	23	77
Sewerage and drainage	105	92	75
Land use and planning	51	54	54
Other ²	478	329	351

1. Waste management was not itemised separately in previous annual reports.
2. The 'Other' category has been adjusted accordingly for 2011-12 and 2012-13.

Complaints received about public universities

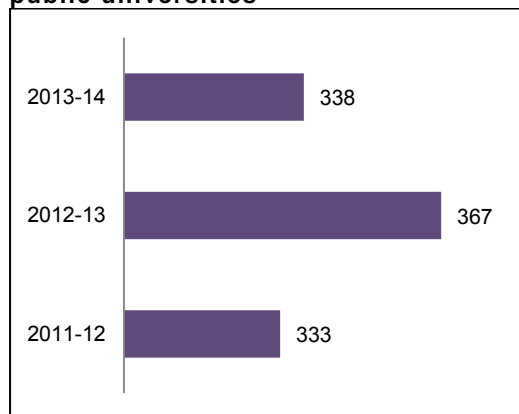
In 2013-14, the Office received 338 complaints about Queensland's public universities, a 9% increase when premature online complaints are removed from the comparison.

The majority of these complaints related to decisions to exclude students. These were mainly received from international students, where exclusion for unsatisfactory progress or attendance may lead to cancellation of a student's visa (27%).

Other major complaint categories included:

- student grievance complaints relating to a postgraduate or undergraduate program or course (26%)
- enrolment decisions (22%)
- assessment (16%).

Figure 8: Complaints received about public universities



This data has not been adjusted for premature complaints received via the online complaint form where people simply received automated advice, or for written matters that were outside the jurisdiction of the Office that were recorded as complaints.

Table 9: Complaints received about public universities

	2011-12	2012-13	2013-14
Exclusion	105	102	92
Student grievance	75	95	89
Enrolment	43	66	76
Assessment	39	49	55
Investigation	2	29	9
Employee grievance	7	16	9
Internal review	4	10	8
Complaint handling	57	0	0
Unsatisfactory progress	1		

Open complaints

At the end of each financial year, some complaints remain open.

At 30 June 2014, 158 complaints remained open. Of these, 66% were matters received within the last 30 days of 2013-14.

This compares to 1 July 2013, when 143 complaints remained open.

Table 10: Complaints open

	2011-12	2012-13	2013-14
Complaints finalised	8,648	6,406	6,293
Complaints open	186	143	158

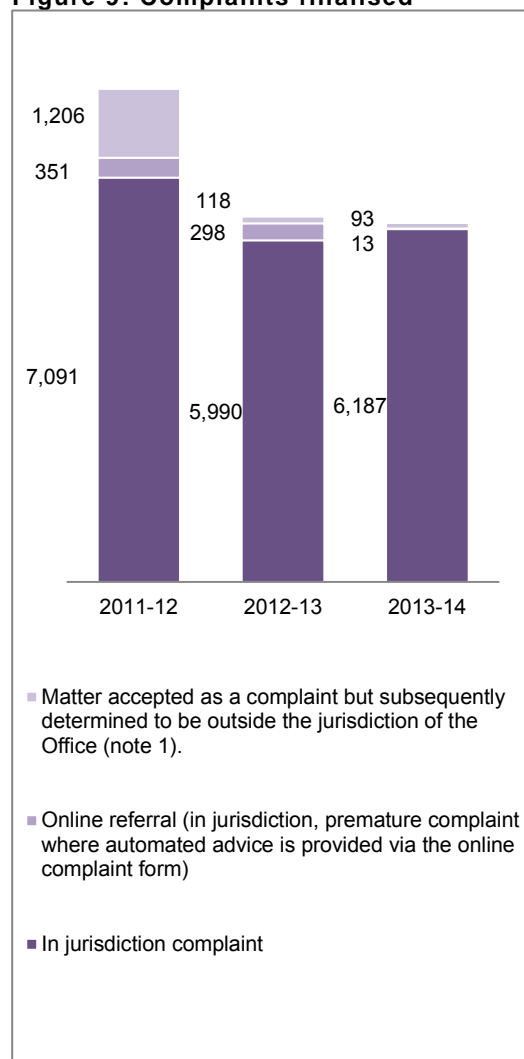
Complaints finalised

The Office finalised 6,293 complaints in 2013-14, a 3% increase from the previous year when certain changes to the way complaints are recorded and reported are taken into account (as is discussed earlier and explained in Figure 9).

The Office continues to identify whether a complaint has previously been received (a continuing complaint). For example, in a number of instances, a complaint may be declined initially because it had not been considered by the appropriate agency in the first instance. This is referred to as a premature complaint. If the complainant is dissatisfied with the agency internal review, they may approach the Ombudsman again to review the decision.

In 2013-14, 532 continuing complaints were identified or 8.5% of the complaints finalised.

Figure 9: Complaints finalised



1. In 2011-12, all matters received by the Office in writing were recorded and reported as complaints even if they were out of jurisdiction. This resulted in a high number of out of jurisdiction matters being initially classified and reported as a complaint but subsequently being declined as out of jurisdiction. In July 2012, this practice ceased and all out of jurisdiction matters were recorded as such, irrespective of whether they were received in writing or not.

Dealing with complaints

Time taken to finalise complaints

The Office continues to improve the time taken to finalise complaints. This is the result of improved business practices implemented over the past three years.

In 2013-14, it took an average of 11.6 days to finalise a complaint across the Office. This average includes preliminary assessments and investigations. This compares to 12 days in 2012-13, which was a significant improvement on the 24.3 days to finalise a complaint in 2011-12.

The most significant improvement in timeliness during 2013-14 related to investigations by the Office. These took an average of 55.6 days to finalise in 2013-14, compared to 75.3 days the previous year. This represents a 26% improvement in the timeliness of investigations.

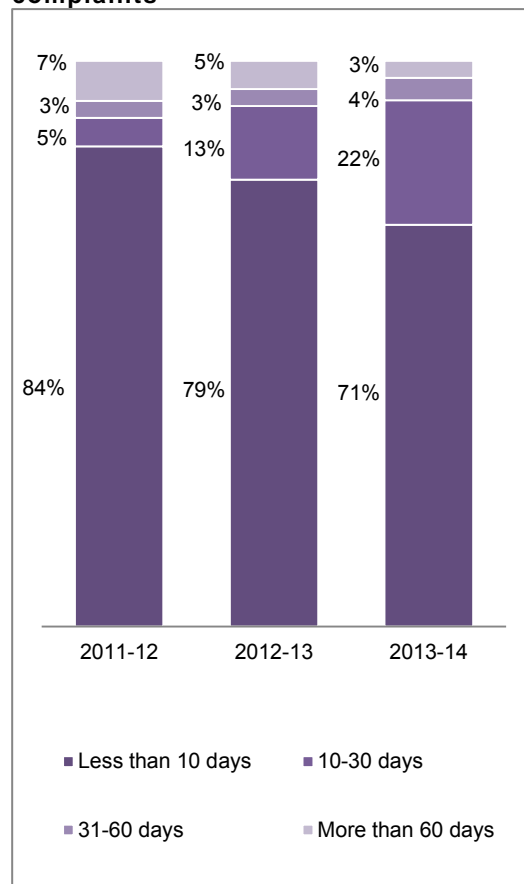
The time to finalise a complaint is dependent upon many factors, including the complexity of the matter.

This year:

- 71% of complaints were finalised within 10 days (79% in 2012-13)
- 93% of complaints were finalised within 30 days (92% in 2012-13)
- more than 99% of complaints were finalised within 12 months for the second year running
- as at 30 June 2014, 2 complaints remained open that were more than 12 months old.

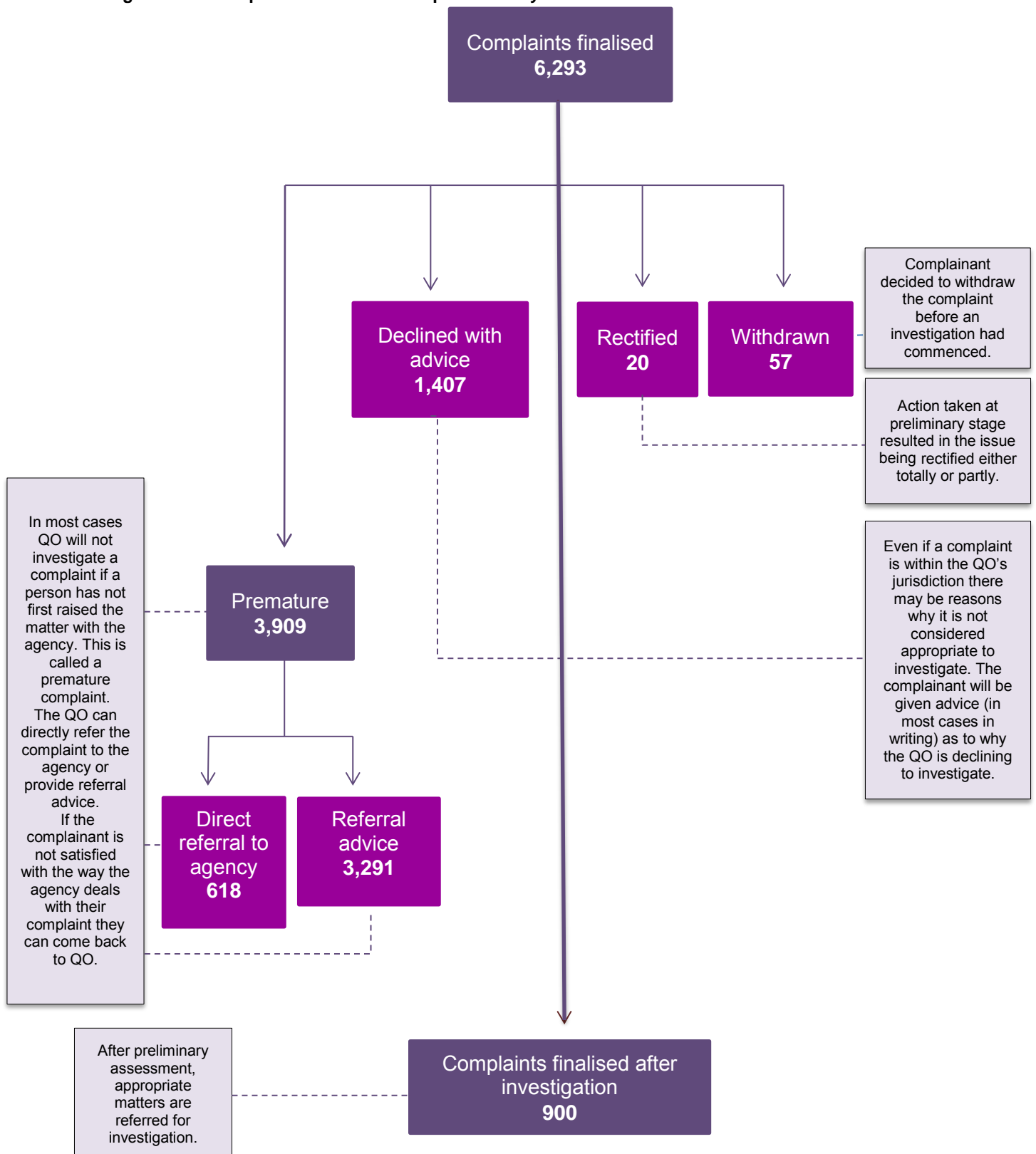
The two complaints that remained open related to a local council's conduct in a development application and a decision to impose a special levy.

Figure 10: Time taken to finalise complaints



Dealing with complaints

Figure 11: Complaints finalised at preliminary assessment



Dealing with complaints

Complaints finalised at preliminary assessment

The Office's complaint management process is part of a wider system that includes agencies' complaint management systems. The Office requires complainants to raise their concerns directly with the agency before seeking help from the Ombudsman.

The Office finalised 6,293 complaints in 2013-14. Of these, 5,336 were finalised after a preliminary assessment. This represented 85% of the total number of complaints finalised in 2013-14.

The majority of complaints finalised at the preliminary assessment stage are identified as premature. This means a person contacted the Office before raising the complaint with the agency and following its complaint management process (3,909 complaints or 62% of all complaints finalised).

In most cases, the Office will provide the person with advice on how to lodge a complaint with the appropriate agency and how to bring the matter back to the Office if the agency's response is unsatisfactory. This year, the Office provided referral advice on 3,291 premature complaints.

With the complainant's consent, the Office can directly refer a premature complaint to the agency at the preliminary assessment stage. This year, the Office directly referred 618 premature complaints, a significant increase from the 395 complaints referred at this stage in 2012-13. A further 11 complaints were directly referred to a more appropriate agency during the investigation phase, when the Office decided that no further investigation was warranted. These are shown in Figure 12.

In previous years, premature complaints included those lodged via the online complaint form where only automated advice was provided. As has been discussed earlier, in July 2013, the Office stopped recording these matters to more accurately reflect the actual workload of the Office.

In 2012-13, there were 298 online premature complaints, compared to 13 in 2013-14.

There were also 1,407 complaints where the Office decided that an investigation was not warranted after preliminary assessment.

This included situations where:

- the complainant failed to provide further material needed to assess the complaint within 14 days after initial contact (626 complaints or 10% of complaints finalised)
- a more appropriate entity could investigate the complaint (244 complaints or 4%)
- the complainant had an appeal right that should first be exhausted (209 complaints or 3%)
- the resources necessary to investigate the complaint were disproportionate to any likely outcome (129 complaints or 2%)
- the complainant did not have a sufficient direct interest in the matter (78 complaints or 1%)
- further enquiries during the preliminary assessment identified the complaint as being out of jurisdiction (73 complaints or 1%).

When the Office declines to investigate a complaint, complainants are given an explanation and, where possible, advice about alternative avenues to progress their complaint.

This year, 20 complaints were rectified by the Office during preliminary assessment. Fifty-seven people chose to withdraw their complaint before an investigation began.

The assessment and advice function provides an important service to the thousands of Queenslanders who approach the Office each year.

Matters not finalised at preliminary assessment are referred for investigation.

Equitable and accessible service

Community outreach

The Ombudsman helps ensure that public agencies act fairly and make the right decisions for all Queenslanders.

The Office's services need to be accessible to all Queenslanders. This can be a challenge in a large state with a diverse and decentralised population.

In response, the Office has developed a targeted outreach program that focuses on sectors of the community that may have trouble accessing public services or difficulty communicating their needs.

Wherever possible, the Office works jointly with other integrity agencies to improve the efficiency of its outreach programs.

In 2013-14, the Office continued to progress the implementation of its *Diversity Engagement Action Plan 2013-18*. This plan guides engagement with Indigenous communities, culturally and linguistically diverse communities, refugees, prisoners, people with disabilities and special needs and the homeless.

Improving services for Indigenous Queenslanders

Indigenous communities in regional and remote areas often struggle to access public services and complaint agencies.

Initiatives undertaken in 2013-14 to improve awareness and accessibility included presentations, training and administrative improvement advice to Indigenous councils, building relationships with Community Justice Groups and participation in NAIDOC Week activities and the Booin Gari festival.

Improving services for multicultural communities

Many recently arrived migrants are not aware of the role of the Ombudsman and the services this Office provides.

This year the Office continued to build strong ties with multicultural communities by attending community events, such as the World Refugee Day Community Festival, and delivering regular presentations to multicultural organisations.

The Office produces a Community Perspective newsletter distributed to multicultural community groups and undertakes regular mail-outs of its multilingual publications.

Improving services for regional Queenslanders

The revitalised Regional Services Program (RSP) was launched on 1 July 2013 and involved visits to 57 regional centres across Queensland in 2013-14.

The RSP is designed to improve awareness of the Office and access to its services for communities in regional and remote areas.

The RSP meets the needs of several key stakeholders, including:

- agency officers
- Indigenous communities
- Community Justice Groups
- community/advocacy groups
- correctional centres
- Members of Parliament offices
- Queensland Government Agent Program
- Local Area Multicultural Partnership and Community Action for a Multicultural Society contacts.

RSP activities in 2013-14 included training sessions, correctional centre visits, presentations and community meetings.

The RSP has been positively received, and the priority for 2014-15 is expanding the program to key regional centres not visited this year.

Dealing with complaints

Improving services for the homeless

This year, the Office worked to improve awareness and accessibility among the homeless community.

The Office collaborated with peak bodies on a range of initiatives, including the Queensland Public Interest Legal Clearing House Homeless Persons Legal Clinic and the Brisbane City Council's Homeless Connect Expo.

Improving services for prisoners

In 2013-14, Queensland Ombudsman officers visited 12 of the state's 14 correctional centres and undertook further visits to investigate specific complaints. The Queensland Corrective Services (QCS) requested the Office delay visits to the other two correctional centres until July 2014.

A range of posters, brochures and stickers were produced this year and distributed to each centre to inform prisoners about the Prisoner PhoneLink service, the privileged mail system and upcoming visits by Ombudsman officers.

Collaboration

The Office continued to sponsor a website with other complaint agencies. The *It's OK to Complain* portal is a 'one-stop shop' designed to help people find the right complaint agency to investigate their complaint.

In 2013-14, the website received 11,387 hits (12,723 in 2012-13). The portal is maintained in partnership with a range of complaint agencies including the Anti-Discrimination Commission Queensland, the Commission for Children and Young People and Child Guardian, the Commonwealth Ombudsman, the Crime and Misconduct Commission and the Health Quality and Complaints Commission.

Improving accessibility

The Office's website is an effective way for people to access complaint services. It features a range of resources to help people understand the role of the Ombudsman and make effective complaints.

The website received 68,927 hits during an eight-month period in 2013-14, compared to 89,744 the previous year.

Web hits were not counted over a four-month period due to technical issues experienced by the Office's web provider during the transition to new website software.

Based on an average 8,615 web hits received each month, it is estimated that the total number of web hits during 2013-14 would have been 103,390.

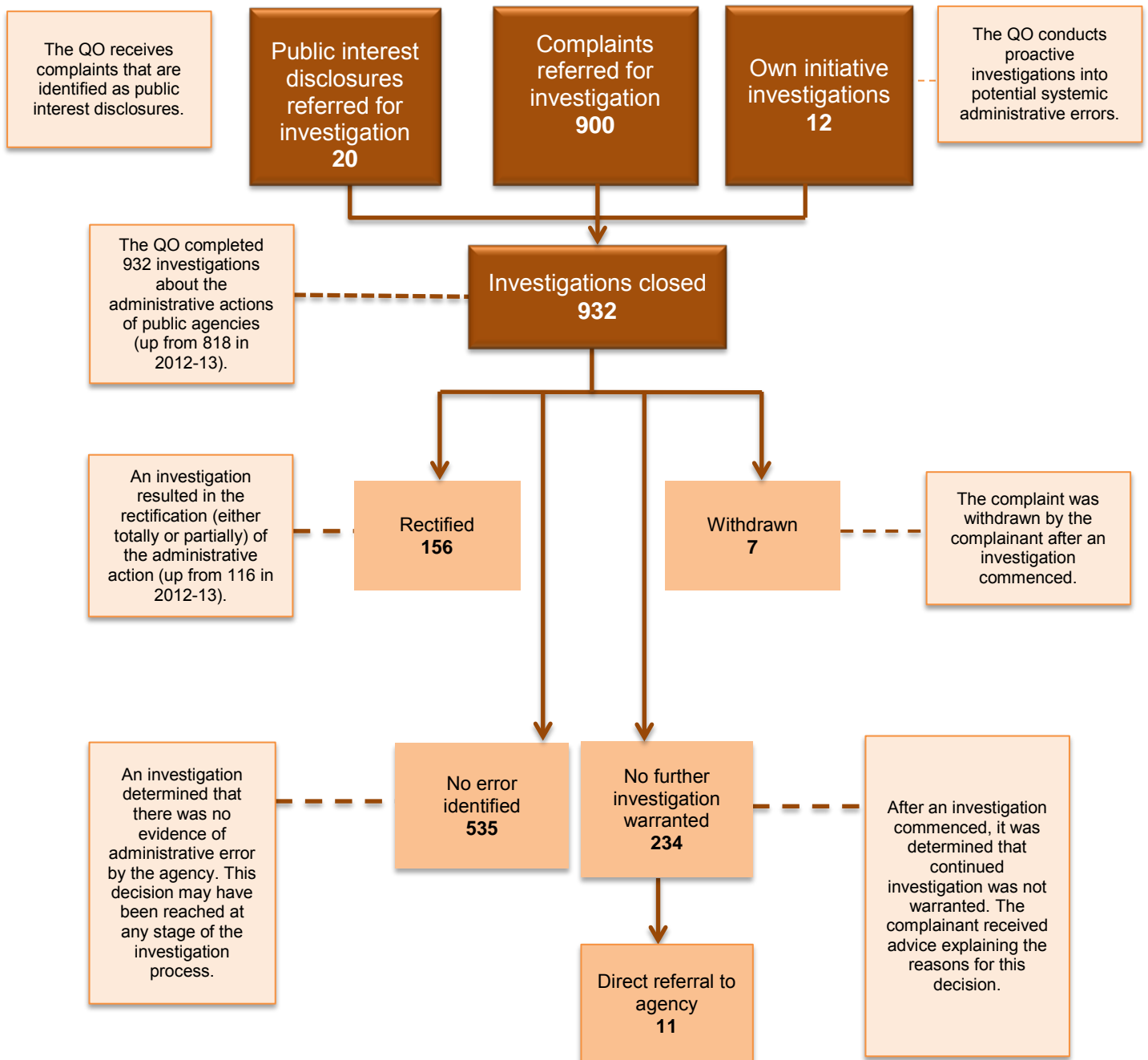
In 2013-14, the Office undertook improvements to the website structure, updated content and enhanced links to the online complaint form and referral information.

Rectifying unfair decisions

Objective 2

Rectifying unfair or unjust public agency decisions

Figure 12: Investigations



Overview

A complaint is investigated after preliminary assessment if:

- it is within jurisdiction
- it is not premature
- relevant material has been provided
- there is no reason why an investigation is not warranted.

An investigation determines whether an administrative action is unlawful, unreasonable, unjust or otherwise unfair or wrong.

An investigation starts with a careful and detailed analysis of the complaint and information provided by the complainant or obtained by the Office.

In 2013-14, the Office investigated 900 complaints (14% of the total number of complaints finalised). A further 12 matters were the subject of own-initiative investigations and 20 matters were identified as public interest disclosures (PIDs). In total, 932 matters were investigated in 2013-14, an increase of 12% (818 matters investigated in 2012-13).

The Office's approach to an investigation is based on the complexity and scope of the issues identified. Some investigations may require interviews with agency officers or written responses from the agency involved. Complex investigations are undertaken where systemic administrative error is suspected and require significant time and resources.

In some instances, a number of related investigations may be part of one case. The 932 complaints investigated in 2013-14 related to 722 individual cases. Of these, 694 cases related to referrals after preliminary assessment, 18 cases related to public interest disclosures and 10 related to own-initiative cases.

Investigative outcomes

Of the 932 investigations finalised in 2013-14, 156 investigations resulted in the total or partial rectification of the issue (17% of all investigations which was up from 14% in the previous year).

Rectification is achieved in a number of ways including:

- a finding of administrative error (14 investigations)
- negotiating a resolution with the agency, removing the need to find administrative error (142 investigations).

Where a finding of administrative error was made, the Ombudsman concluded that the agency's decision or action was:

- unreasonable, unjust, oppressive or improperly discriminatory (6 investigations)
- contrary to law (4 investigations)
- based on a mistake of law or fact (3 investigations)
- based on no or inadequate reasons (1 investigation).

In 535 investigations (57% of investigations) no administrative error was identified.

In 234 investigations, the Office decided that the continuation of the investigation was not warranted. Reasons for not continuing an investigation include:

- further investigation was considered to be unnecessary or unjustifiable
- the complainant did not have a sufficient direct interest in the matter
- the complainant had an appeal right that had been exhausted and further investigation was unnecessary
- the complaint was out of time and no special circumstances required further investigation
- another complaint entity was investigating the matter
- the complainant had been referred back to the agency for internal review.

Rectifying unfair decisions

Seven complainants withdrew their complaint after an investigation had commenced.

The investigative function of the Office has delivered some notable achievements in 2013-14. Compared to 2012-13 it:

- undertook 114 more investigations (an increase of 12%)
- achieved 40 more rectification outcomes (an increase of 26%)
- carried out those investigations in an average of 55.6 days (compared to 75.3 days).

Feedback from stakeholders

The Office is committed to continuous service improvement and regularly seeks feedback from a range of stakeholders, including complainants and officers in other public sector agencies.

In 2013-14, the Office conducted a telephone survey of complainants, focusing on complaints investigated and finalised by the Office. The survey was designed to measure the impact of internal structural and operational changes on the investigation of complaints. It also sought to identify further service improvements.

Given structural changes within the Office, no direct comparisons can be made with previous surveys. However, the results have been compared to a range of previous surveys to provide indicative trends.

Key results:

- Efforts to improve the timeliness of investigations were supported by complainant feedback. More complainants said that their investigation took 'about the right amount of time' and fewer said their complaint 'took longer' than in previous surveys.
- The frequency of client contact has increased: 80% of complainants reported some form of contact with the Office on a monthly or more frequent basis, or when important matters arose.
- At the end of the investigation process, 48% of people reported a detailed discussion with the relevant officer about the Office's final decision. The clarity of reasons provided in writing for the Office's final decision also improved.

People expect the Office to resolve their complaint. However, in the majority of cases, an investigation will identify no error or determine that continued investigation is not warranted. This has an impact on overall satisfaction.

Overall, 49% of people were satisfied with the service provided by the Office during the investigation of their complaint, based on helpfulness, respectfulness, professionalism and timeliness.

In 2012-13 the Office conducted research to identify better ways to manage complaints and investigations across the public sector. This included an online survey focusing on the experience of agency officers who dealt with the Office, and externally facilitated focus groups with agency representatives to obtain broader input to the future strategy, direction and priorities of the Office. A project to obtain feedback from other public sector agencies will next be carried out in 2014-15.

Investigative recommendations

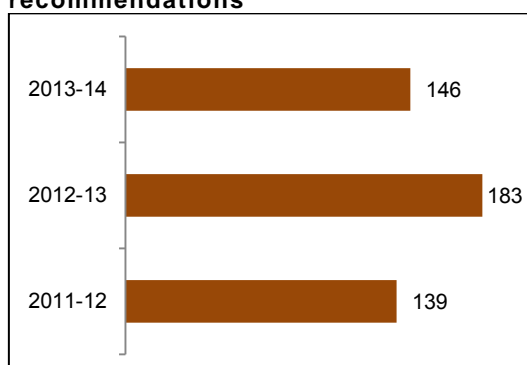
If the Office identifies an administrative error during an investigation, it can negotiate a resolution with the agency or the Ombudsman can make recommendations to rectify the problem.

Remedies may include a request that the agency remake the decision, provide reasons for a decision, apologise or make a refund to the complainant. The Ombudsman can also recommend the agency improve its policies and procedures to avoid similar errors in future.

If an investigation does not find evidence of administrative error, the complainant is provided with a detailed explanation of the Office's findings.

The Office made a total of 146 investigative recommendations in 2013-14.

Figure 13: Number of investigative recommendations



In 2013-14, the Ombudsman made 22 recommendations under s.50 of the Ombudsman Act and the Office negotiated a further 124 agreed actions with agencies to rectify errors. In 2012-13, the Ombudsman made 107 recommendations under s.50 of the Act and negotiated 76 agreed actions with agencies. The preference is to negotiate a resolution between the agency and complainant, rather than making formal recommendations.

An agreed action involves working with the agency and complainant to reach a satisfactory resolution. This is a more

effective and timely way to resolve a complaint where an assessment reveals evidence of administrative error.

Recommendations or agreed actions can be divided into those that directly benefit an individual and those that deal with systemic concerns. Direct benefit recommendations produce an outcome for an individual complainant. Systemic recommendations address faults with policies, procedures or practices.

In 2013-14, there were 56 direct benefit recommendations/agreed actions and 90 systemic recommendations/agreed actions. As in previous years, the majority of recommendations identified improvements to agencies' policies or procedures (42% of the total recommendations).

The Ombudsman has no powers to enforce recommendations. However, they are generally accepted by agencies. In 2013-14, 96% of recommendations that received a response from the agency by 30 June 2014 were accepted (99% in 2012-13).

Rectifying unfair decisions

Table 11: Types of investigative recommendations to agencies

	2011-12	2012-13	2013-14
Improve policy or procedure	82	130	62
Give better explanation or reasons	14	16	18
Change decision	5	14	9
Review decision	4	9	10
Provide training	7	5	4
Expedite action	6	4	15
Follow policy or procedure	14	2	11
Financial remedy	5	1	8
Admit error or apologise	2	1	7
Explanation given by agency	0	1	2

When complaints are assessed as premature, the Office provides advice and practical assistance to help people pursue their concerns with the relevant agency.

In a number of cases, the Office directly refers matters to agencies on the complainants' behalf. In 2012-13, the Office directly referred 402 matters, more than double the referrals per year prior to 2011. In 2013-14, 629 cases were directly referred, a significant increase in the number of people given direct assistance.

Although the Office does not currently track the outcome of these direct referrals (and therefore does not report them as rectification outcomes), the Office believes that direct referrals will often lead to the rectification of a complaint (a direct benefit outcome).

Investigative outcomes

Investigative outcomes for state agencies

The Office finalised 490 investigations into the administrative actions of state agencies, including 371 investigations about state government departments and 119 investigations about statutory authorities. Of these:

- 151 investigations were discontinued after it was determined that continued investigation was not warranted
- 243 investigations identified no administrative error
- 94 investigations resulted in some form of rectification:
 - in 86 cases the agency agreed to address the concerns identified by the Office without the need for a recommendation (an agreed action)
 - in 8 cases the Ombudsman made a finding of administrative error
- 2 matters were withdrawn by the complainant.

As a result of these investigations, the Ombudsman made 92 recommendations and the Office negotiated agreed actions across 10 state agencies. Of these, 20 were of direct benefit to individual complainants and 72 addressed systemic issues.

Case study 1

Unclaimed money returned

The complaint

The Office received a complaint that a statutory authority had mismanaged the return of unclaimed funds.

The complainant was successful in being acknowledged as the rightful owner of unclaimed money held by the statutory authority.

The complainant requested that the funds be transferred into a nominated account. This account was closed when the authority tried to pay the funds.

Despite following the matter up with the authority several times and providing alternate account details, the money was not returned to the complainant.

The complainant asked this Office to pursue the matter and secure the return of her money.

Assessment

After preliminary assessment, this Office directly referred the matter to the statutory authority on behalf of the complainant.

Making a difference

Upon receiving the complaint from this Office, the statutory authority arranged for the funds to be paid into the complainant's account immediately.

The statutory authority apologised to the complainant for the delay in returning the money.

Rectifying unfair decisions

Case study 2

Unlawful separate confinement

The complaint

This Office received complaints from a number of prisoners about restrictions placed on their time out of the cell and capacity to interact. The restrictions were contained in a procedure that allowed the prisoners a maximum of two and a half hours per day out of their cells.

Under the *Corrective Services Act 2006*, only certain types of orders can be used by the department to significantly restrict out of cell access and a prisoner's capacity to interact where it amounts to separate confinement. The Corrective Services Regulation 2006 requires prisoners to be given the opportunity to exercise, in the fresh air, for at least two daylight hours every day.

The investigation

After considering the information received from the prisoners and the department, the Ombudsman found that the restrictions placed on the prisoners by the procedure amounted to separate confinement and this was unlawful. In addition, the department had not provided the prisoners with the opportunity to exercise, in the fresh air, for at least two daylight hours every day and this was unlawful. Nor did the department accurately record the prisoners' periods of open air exercise while they were undergoing separate confinement, as required by its own procedures.

Making a difference

The department agreed to make it clear to correctional centres that only certain types of orders can be used to separately confine prisoners and that it is not permissible by procedure to establish an additional regime of separate confinement. The department also amended its procedure to remove the restriction on out of cell time and a discretion that allowed prisoners to be locked down for an entire day without any out of cell time. Finally, the department agreed to ensure its procedures for recording the periods of open air exercise for all prisoners undergoing separate confinement were complied with.

Case study 3

Communicating reasons for decisions

The complaint

The complainant applied to an agency for membership of a subsidy scheme. She complained that her application was refused and she was not informed why that decision was made. The agency's written responses simply indicated that the complainant did not satisfy the scheme's membership criteria.

The investigation

This Office determined that the agency had overlooked its legislation, which provided that applicants were entitled to a statement of reasons about the refusal of their application.

In addition, the agency's internal review was undertaken by the same officer who made the original decision, and the agency failed to notify the applicant of her appeal right to the Queensland Civil and Administrative Tribunal (QCAT).

This Office also advised the agency that its internal review process lacked independence and it needed to improve its communication and recordkeeping practices, both of which had impacted on the complainant's case.

Making a difference

The agency reviewed its template decision letters to include reasons for refusing membership of the scheme.

Letters communicating the outcome of an internal review were also revised to include advice of an applicant's right to appeal the decision to QCAT.

The agency also sent the complainant a statement of reasons about the refusal of her application.

Rectifying unfair decisions

Case study 4

Special circumstances

The complaint

The complainant applied to a state agency to backdate their employee's long service leave eligibility. The complainant, apparently unaware of their obligations under the scheme, failed to register the employee when he started work. The legislation relating to the scheme limits the ability to backdate the period unless special circumstances exist. The agency decided that ignorance of the scheme resulting in a failure to register the employee did not amount to special circumstances. As a result, the employee was significantly disadvantaged as a significant period of his employment was not recognised for long service leave purposes.

The investigation

The investigation covered a number of areas but focused on how the agency applied the special circumstances exception and the absence of guidelines to assist decision-makers. The agency had a work instruction but it did not include criteria to determine if special circumstances exist.

It was revealed that the agency had applied the special circumstances exception in cases where errors had been made by employers but had not previously applied the exception to cases where employers were unaware of the scheme. In investigating the issues, consideration was given to the agency's primary functions that include administration of an equitable and efficient scheme of portable long service leave for eligible workers in the building and construction industry.

Making a difference

The agency accepted the Office's view that the special circumstances exception could also be applied to cases where applicants were unaware of the scheme. As a result, the eligibility was backdated to the date when the complainant's employee first became eligible for the scheme. The agency also introduced a guideline to assist decision-makers in applying the special circumstances exception and enhanced its decision templates to ensure meaningful reasons for decisions are provided to clients.

Rectifying unfair decisions

Investigative outcomes for local councils

The Office finalised 306 investigations about the administrative actions of local councils. Of these:

- 64 investigations were discontinued after it was determined that continued investigation was not warranted
- 187 investigations identified no administrative error
- 51 investigations resulted in some form of rectification:
 - in 45 cases the agency agreed to address the concerns identified by the Office without the need for a recommendation (an agreed action)
 - in 6 cases the Ombudsman made a finding of administrative error
- 4 matters were withdrawn by the complainants.

In 2013-14, 47 recommendations were made to 14 different local councils. Thirty-one recommendations were of direct benefit to the complainants and 16 recommendations addressed systemic issues.

Case study 5

Published information turns out to be wrong

The complaint

The Office received a complaint that a local council was relying on incorrect information obtained from a state department's website for the levy of its rates. The state department's website reported the number of staff employed by the complainant.

The complainant indicated that local council's reliance on this information resulted in a significantly higher rates assessment with penalty interest applied to the unpaid rates while the issue was in dispute. The rates were based on the land valuation and the number of staff employed.

The investigation

The investigation found that due to a clerical error an incorrect number of employees was posted on the state department's website. This was subsequently corrected.

The local council did not take any steps to verify the accuracy of the information originally posted by the state department, insisting that it could only rely on the information as it was published at the time local council prepared and finalised its budget.

The Office considered that the local council acted unreasonably in not verifying the accuracy of the information resulting in the complainant's land being rated under the wrong category.

Making a difference

The local council changed the rating category and waived penalty interest that had accrued on the incorrectly levied rates. This resulted in a saving to the complainant of approximately \$393,000.

Rectifying unfair decisions

Case study 6

Earlier advice for excessive water consumption

The complaint

The Office received a complaint that a local council's advice about excessive water consumption at the complainant's property (caused by a possible water leak) was not provided in a timely way. The resident also complained that the charges imposed were excessive, even though local council had granted a remission to their account.

The investigation

The local council reads water meters on a quarterly basis and then bills its customers.

As a service to residential customers, local council generates high consumption advice letters when the average daily consumption exceeds 2.5 kilolitres (a trigger point), calculated back to the beginning of the consumption year.

The complainant received advice in the last quarter of the year that the average daily use had reached 3.6 kilolitres. This led the complainant to investigate the source of the leak which was found in the property's internal water service.

The calculation, averaged from the beginning of the consumption year, resulted in high water usage which did not trigger local council's advice letter at an earlier time.

The Office concluded that local council did not provide timely advice of a possible water leak and that its procedures would benefit from review.

In relation to the charges imposed, the Office considered that local council could apply a lower charge to the water consumed to further reduce the impact on the complainant.

Making a difference

The local council agreed to review the trigger point framework to improve its high consumption advice to customers. It also further reduced the excess water charges on the complainant's account.

Case study 7

Decision delays

The complaint

The complainants' property was destroyed in a fire, and they were advised by local council that a material change of use application (MCU) was required for rebuilding their house on the site. The complainants disagreed with this decision. They attempted to clarify local council's decision and progress rebuilding.

Over a period of time, local council gave different reasons why an MCU was required, including the property was in a flood zone and the existing lawful use had ceased as the property had been abandoned. Local council also gave a clear indication it was unlikely to approve the MCU because of the flooding risk.

The local council offer to purchase the property was rejected. The local council decided to resume the property and relevant notices were prepared. However, following a meeting between the complainants and local council representatives, and after obtaining legal advice, the local council decided not to resume the property and ultimately determined an MCU was not required. The complainants stated that local council's decision-making around the requirement for an MCU led to delays in rebuilding their home and that considerable additional expense for rent, storage and solicitors was incurred as a result.

The investigation

The Office found that the delay in rebuilding occurred because of the position taken by local council on the requirement for an MCU.

The local council also failed to obtain timely, independent legal advice on whether the existing lawful use had ceased. In the view of this Office, the local council's prejudgement and bias on a future MCU was unreasonable and unjust.

Making a difference

Following the investigation, local council provided a written apology to the complainants for its handling of the matter and negotiated an ex gratia payment for costs associated with the delay.

Rectifying unfair decisions

Case study 8

Review results in \$28,000 tax refund

The complaint

The Office received a complaint that a local council's compulsory acquisition of property had triggered land tax liability.

The complainants sought compensation for the additional land tax resulting from the resumption of the property. They also sought compensation for fees paid to amend a lease on the property and legal costs incurred in pursuing the complaint.

Assessment

A preliminary assessment by the Office established that the complainants had not requested an internal review of local council's decision.

This Office directly referred the matter to local council on behalf of the complainant, and requested that local council undertake a review of its initial decision.

Making a difference

As a result of the internal review, local council offered the complainants a settlement of \$28,000.

Case study 9

Local council offers \$400 refund after misreading water meter

The complaint

The Office received a complaint about excessive water charges imposed by a local council.

The complainants were charged more than \$500, which amounted to three times the water usage for the same period in the previous year.

Despite raising the issue with the local council's water department, they were assured that the meter reading had been checked and re-checked before the rates notice was issued.

The local council had made no attempt to contact the property owners regarding the abnormal water usage.

The complainants asked this Office to check whether the water meter had been read correctly and help them secure a refund for any excessive charges.

Assessment

A preliminary assessment by the Office established that the complainants had not requested an internal review of local council's decision before approaching the Ombudsman's Office.

This Office directly referred the matter to local council on behalf of the complainant, and requested it undertake a review of its initial decision.

Making a difference

An internal review found that the water meter had been read incorrectly, resulting in the excessive charges.

Local council apologised to the complainants and offered them a refund of more than \$400.

As a result of the complaint, the local council also reviewed its water meter reading processes.

Rectifying unfair decisions

Investigative outcomes for public universities

The Office finalised 136 investigations about the administrative actions of public universities. Of these:

- 19 investigations were discontinued after it was determined that continued investigation was not warranted
- 105 investigations identified no administrative error
- 11 investigations resulted in some form of rectification
- 1 matter was withdrawn by the complainant.

In 2013-14, seven recommendations were made to public universities. Five were of direct benefit to the complainant and two addressed systemic issues.

Case study 10

Debt cancelled

The complaint

The Office received a complaint from a former university student about an invoice for tuition fees.

In 2007, he completed two courses at the university. He was initially quoted and charged \$1,035 for the courses. Towards the end of that year, the university advised him that it had incorrectly calculated the fees for the two courses and invoiced him \$1,310 for the remaining balance.

The student did not pay the invoice and the university took no further action for several years in relation to the matter.

After correspondence in 2011 and 2012, including a request by the former student for a review of the charges, the matter was eventually referred to a debt collection agency. The former student then made a complaint to this Office.

The investigation

The investigation undertaken by the Office identified two important issues.

Firstly, the former student appeared to have been advised of the correct fees after the date he could have withdrawn from the course without any penalty.

Secondly, the university appeared to have taken no action to recover the debt for almost four years.

In these circumstances the reasonableness of the university pursuing the debt was in question.

Making a difference

This Office asked the university to explain what information it had provided to the former student about the cost of the courses before his enrolment.

The Office also asked whether it had taken into account the delay in pursuing the debt.

In response, the university further considered the matter and advised that it would not pursue the debt.

Case study 11

Limited appeal

The complaint

A university alleged that a student had engaged in academic misconduct. The student was found guilty of misconduct at a hearing of the allegation and a level two misconduct penalty was imposed.

The student appealed against the finding but did not appeal the penalty. On appeal, the student was again found guilty. However, the penalty was increased to a level three misconduct penalty.

The investigation

The investigation considered whether or not the appeal was constrained to the finding of guilt only or if it included the level of penalty.

The university's student misconduct policy provided that an appeal against misconduct would proceed as a new hearing. Since the university saw the appeal as a new hearing, it maintained the view that it was entitled to raise the level of misconduct.

This Office considered that the only issues before the appeal decision-maker were those raised in the notice of appeal. Accordingly, the penalty should only have been changed if the appeal reversed the original finding of academic misconduct.

Making a difference

The university reinstated the original level two misconduct penalty. It also reviewed the student misconduct policy to ensure the extent of an appeals hearing is clear.

Public reports

By releasing major investigative reports, the Ombudsman is able to bring systemic issues to the attention of the Parliament, government agencies, and the wider public.

The Office published three public reports in 2013-14:

- *The Liquor Report: An investigation into the regulation of licensed premises by the Office of Liquor and Gaming Regulation* was tabled in Parliament on 17 December 2013
- *The Ownership Transfer Fee: An investigation into the Brisbane City Council's fee for recording a change of property ownership in its land record* was published with the authorisation of the Speaker on 18 December 2013
- *The Water Licences Report: An investigation into the administration of water licence decision-making under Chapter 2, Part 6 of the Water Act 2000* was tabled in Parliament on 7 May 2014.

Major investigation reports are available online at www.ombudsman.qld.gov.au.

The Liquor Report: An investigation into the regulation of licensed premises by the Office of Liquor and Gaming Regulation

The investigation examined the regulation of licensed premises by the Office of the Liquor and Gaming Regulation (OLGR).

The investigation revealed significant difficulties and tensions between the OLGR's dual role of facilitating the liquor industry and minimising the adverse effects of alcohol consumption.

The report also highlighted the need for the OLGR to work more closely with the Queensland Police Service to ensure a more effective, coordinated approach.

The Office made 18 recommendations.

The Ownership Transfer Fee: An investigation into the Brisbane City Council's fee for recording a change of property ownership in its land record

The investigation found that some of the costs included in the council's ownership transfer fee were unlawful under the *City of Brisbane Act 2010*.

The Ombudsman's key recommendation was for the BCC to recalculate the difference between the fee charged in 2011-12, 2012-13 and 2013-14 and the properly calculated fee for each year to affected property owners. The BCC refused to accept the recommendation.

The Water Licences Report: An investigation into the administration of water licence decision-making under Chapter 2, Part 6 of the Water Act 2000

The investigation examined the administration of water licences in Queensland by the Department of Natural Resources and Mines.

The report highlighted significant failures in the department's administration of water licences under the *Water Act 2000* between 2005 and 2010.

The Ombudsman made nine recommendations.

Improving decision-making

Objective 3

Public sector agencies improve their
decision-making

Overview

Better public administration can be achieved in a number of ways, including investigation of complaints, own-initiative investigations, compliance reviews, training and community engagement.

Administrative improvements include changes to policy and procedures, improvements to business systems or practices and investment in staff development and training.

Reviews

As part of its administrative improvement role, the Office undertakes reviews to improve the complaint management systems (CMS) of public agencies. The objective is to help agencies develop effective complaints handling processes.

In early 2012, following a strategic review, the Office decided to implement an ongoing program of targeted compliance reviews, focusing on the operation of CMS. CMS reviews were undertaken this financial year in 15 state government agencies.

These reviews considered seven key elements of a CMS:

- policy and procedures
- external visibility and accessibility
- internal communication and training
- complaints resolution
- internal reporting
- monitoring effectiveness
- external reporting.

The reviews measured compliance against the *Public Service Commission Directive 13/06*. Although the Directive was repealed from 8 August 2013, it applied during the period of each review.

Notwithstanding the repeal of Directive 13/06, state agencies were expected to continue managing complaints within their existing systems and policies until a new legislative requirement, foreshadowed at the time, was enacted. Indicators of good complaints management practice are outlined in the Office's Effective Complaints Management and Developing Effective Complaints Management Policy and

Procedures fact sheets, available from www.ombudsman.qld.gov.au.

Overall, the reviews found that agencies had improved their complaints management processes.

However, the reviews identified room for improvement in the following areas:

- policy and procedures
- complaints information on websites
- training to staff about the CMS
- complaint acknowledgement, investigation and final responses to complainants
- internal reporting on complaints data
- reviewing CMS effectiveness
- annual reporting on the operation of the CMS.

The 15 state government agencies have been asked to report on the implementation of accepted recommendations.

Administrative improvement advice

The Office received 63 administrative improvement assistance requests from agencies in 2013-14.

This advice helps agencies improve their policy and practice in complaints management and decision-making. Advice was provided on:

- recording of complaints
- natural justice requirements
- unreasonable complainant/customer conduct management
- anonymous complaints
- management of requests for large amounts of information
- handling frontline complaints
- internal review of the complaints policy, information and management
- investigation of complaints
- management of repeated review requests
- reasons for decisions.

Publications

The Office produces a range of resources for government agencies and the community, including five electronic newsletters:

- *State Perspective*
- *Local Perspective*
- *Legal Perspective*
- *Corrections Perspective*
- *Community Perspective*.

Each newsletter is produced twice a year and distributed to state and local government officers, public sector legal practitioners, corrections officers and community groups.

Subscription rates grew by 10%, bringing the total number of subscribers to 4,423.

The Office also publishes regular e-advisories, *Ombudsman Advisory*, to share the broader, systemic lessons learned from recent unpublished investigations.

In 2013-14, the Office published 10 *Ombudsman Advisory* bulletins:

- Library ban overturned
- Enforcing development approval conditions
- Clean up costs: who foots the bill?
- Recovery of legal costs – overdue rates
- Communicating appeal rights
- The correct application of laws
- Decisions must be consistent with definitions
- Communicating reasons for a decision
- Cost recovery fees: fixing a fair price
- Creating an effective complaints management process.

All publications are available online at www.ombudsman.qld.gov.au.

Table 12: Publication subscriptions

Title ¹	2011-12	2012-13	2013-14	% change
State Perspective ²	1,870	2,285	2,159	-5%
Local Perspective	610	714	731	2%
Legal Perspective	356	795	1,007	27%
Community Perspective	189	215	526	145%
Total	3,025	4,009	4,423	10%

1. *Corrections Perspective* is published on the Department of Justice and Attorney-General's intranet, so subscription numbers are not available.
2. The decrease in the number of State Perspective subscribers may be attributed to extensive structural and personnel changes within state government departments.

Training

The Office provides targeted training to state agencies, local councils and public universities to improve public administration.

Complaints Management Training is offered in two tailored modules: one for frontline staff and the other for internal review officers. The course focuses on the reasons people complain, how to assess complaints and the processes to follow when investigating complaints.

The Good Decisions Training program is suitable for decision-makers at all levels of government and provides a step-by-step decision-making framework that officers can use in their daily work.

Your Ethical Compass is suitable for all agency officers and is designed to improve ethical standards across the public sector. It outlines the guiding principles of ethical decision-making and applies this framework to real-life scenarios.

Administrative Investigations Training focuses on the various processes involved in investigating complaints, including recordkeeping, assessment, preparation, planning, analysis and reporting.

In 2013-14:

- 137 training sessions were delivered to 2,202 public sector officers
- 81 sessions were held in regional Queensland.

The number of training sessions delivered increased by 67%, compared with 2012-13 (82 sessions delivered to 1,530 officers). Training delivery is dependent on client demand and there was a significant demand for training in regional areas in the latter half of the year which contributed to the increase.

From July to December 2013, the Office delivered just 32 training sessions. However, demand for training increased in the second half of the year, with a further 105 sessions delivered across the state.

In 2013-14, the training programs received positive feedback from participants, with

98% reporting that the training would help them in their daily work and 95% of participants willing to recommend the training to other officers in the public sector.

Appendix 2 provides a detailed breakdown of the agencies who participated in training in 2013-14.

Capable and accountable

Objective 4

The Office is a capable and accountable organisation

People

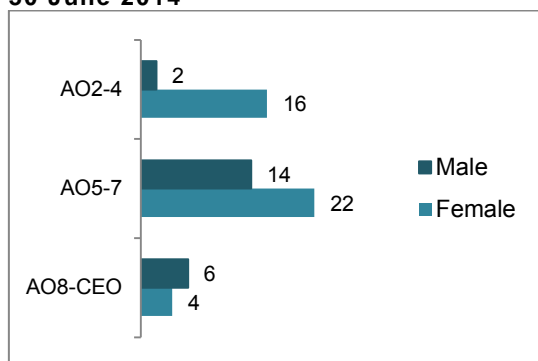
Workforce planning, attraction and retention

At 30 June 2014, 64 officers were employed on a full or part-time basis equating to 57 full-time equivalents (FTE). The establishment for the Office is 57 FTE.

Ombudsman officers come from diverse professional backgrounds, including law, public administration, social work, journalism and teaching. In total, 66% of the Office's workforce is female.

The Office's equal employment opportunity census found 15% of staff identified as having a disability and 15% identified as having a language other than English as their first language. No staff identified as Aboriginal or Torres Strait Islander. The workforce remained relatively stable with a permanent staff turnover of six (10%) during the year. Employees left the Office due to retirement, external opportunities for promotion and interstate relocation.

Figure 14: All staff gender profile as at 30 June 2014



Workforce planning framework

The Office recognises the importance of building a skilled and capable workforce.

The following initiatives contribute to the Office's capacity to create a supportive workplace and attract, retain and develop staff:

- delivering a range of professional development activities
- providing flexible working arrangements
- providing access to employee support programs (such as the Employee Assistance Program)
- providing a health and wellbeing program.

Performance management framework

The Office's integrated performance management framework includes employee induction, probation, achievement planning, performance management and an annual staff awards program.

Managers work with staff to develop employee achievement plans that are relevant to their work unit and drive performance. Ninety-six percent of staff had an achievement plan in 2013-14. All achievement plans include:

- specific personal performance measures
- a focus on career planning and development
- a focus on modelling the values of the Office.

Code of Conduct

The Office's Code of Conduct is designed to provide staff with guidance on appropriate ethical standards for work-related behaviour.

The code, based on the ethical principles and values contained in the *Public Sector Ethics Act 1994*, was developed in consultation with staff. Information about the Code is provided to new staff during induction and is published on the Office's website.

Professional development

The Office supports a productive work culture where employees have the opportunity to continually improve and develop.

Development initiatives delivered during 2013-14 focused on leadership skills, written communication, investigative skills, legislative requirements and cultural awareness.

In 2013-14, the Office spent 1.6% of its salary budget on professional development activities. Employees attended a number of training programs that were provided at no cost to the Office and all staff attended at least one professional development activity during the year.

As part of the achievement planning process, staff members negotiate a career development plan to identify training opportunities based on their individual needs. This year, 40 different individual professional development opportunities were undertaken by 65 staff members.

Early in 2014, as part of continuing to develop leadership skills, the Office's senior staff members participated in a 360 degree feedback process to better inform their leadership styles and develop their capability.

Two senior female employees attended the Australia and New Zealand School of Government Women in Leadership: Achieving and Flourishing workshop.

Table 13: 2013-14 Professional development program

Program	Audience	No. of staff
Investigation skills	Investigators, RAPA and CSU staff	14
Editing workshop	All staff	14
Report writing workshop	Investigators	16
Writing for newsletters workshop	All staff	11
Telstra telephony training	All staff	26
Introduction to record keeping	All staff	38
Indigenous cultural competence	All staff	50
Public interest disclosures information/education	All staff	57
Privacy compliant complaints processes training	All staff	50
Online information privacy training	All staff	41
IOMS software training	Investigators and RAPA staff	11
Perform CPR	All staff	12
Ergonomics workshop	All staff	13
SARAS	Individuals	3

RAPA – Registration and Preliminary Assessment
 CSU – Corporate Services Unit
 IOMS – Integrated Offender Management System
 CPR – Cardiopulmonary resuscitation
 SARAS – Study and Research Assistance Scheme

Recognising staff achievements

Staff performance is recognised through the Ombudsman's annual awards program. These awards acknowledge outstanding contributions made by staff. The Award of Excellence is given at the Ombudsman's discretion while candidates for the Staff Choice Award are nominated by their peers.

The eighth annual awards ceremony was held on 10 September 2013 and awards were presented by the Chair of the Legal Affairs and Community Safety Committee, Mr Ian Berry MP.

The recipients were:

- **Ombudsman's Award of Excellence**
Andrea Volling, Support Officer
- **Outstanding Contribution (Staff Choice)**
Cassandra Brown, Marketing Officer.

Flexible work arrangements

The Office encourages staff to establish flexible and balanced work arrangements and has 14 employees working in a part-time capacity.

Staff can also access special leave, including carer's leave, study leave, bereavement leave, emergency/compassionate and purchased leave. Working mothers have access to specific leave entitlements and the Office provides facilities for breastfeeding.

Health and safety

The Office's Health and Safety Committee continued to promote and provide oversight for workplace health and safety in consultation with a qualified safety advisor. Three workers' compensation claims were made this year, resulting in a total of one day lost to injury.

Information about health and wellbeing is regularly communicated to staff members who are encouraged to report any situations likely to cause injury. Ombudsman officers work closely with collocated agencies at 53 Albert Street to improve work health and safety in shared areas of the building.

Initiatives undertaken in 2013-14 included flu vaccinations for all staff, ergonomic assessments to minimise risk of injury and enhance productivity, and a winter health workshop.

Early retirement, redundancy, retrenchment

No redundancy/early retirement packages were paid during the year.

However, a liability was recognised as a staff member accepted a redundancy in the financial year but negotiated to leave in the following financial year.

Performance

The Office of the Queensland Ombudsman is considered a department under s.8 of the *Financial Accountability Act 2009*. Under the Act, it is required to:

- ensure operations are carried out efficiently, effectively and economically
- establish and maintain appropriate systems of internal control and risk management
- ensure annual financial statements are prepared, certified and tabled in Parliament in accordance with the prescribed requirements
- undertake planning and budgeting.

The Queensland Ombudsman's corporate governance framework ensures that:

- statutory responsibilities are met
- high standards of service delivery are achieved through continuous improvement
- risk management is integrated into organisational activities
- performance is effectively and efficiently measured and monitored.

A range of internal accountability measures are used by the Queensland Ombudsman.

Figure 15: Corporate Governance Framework

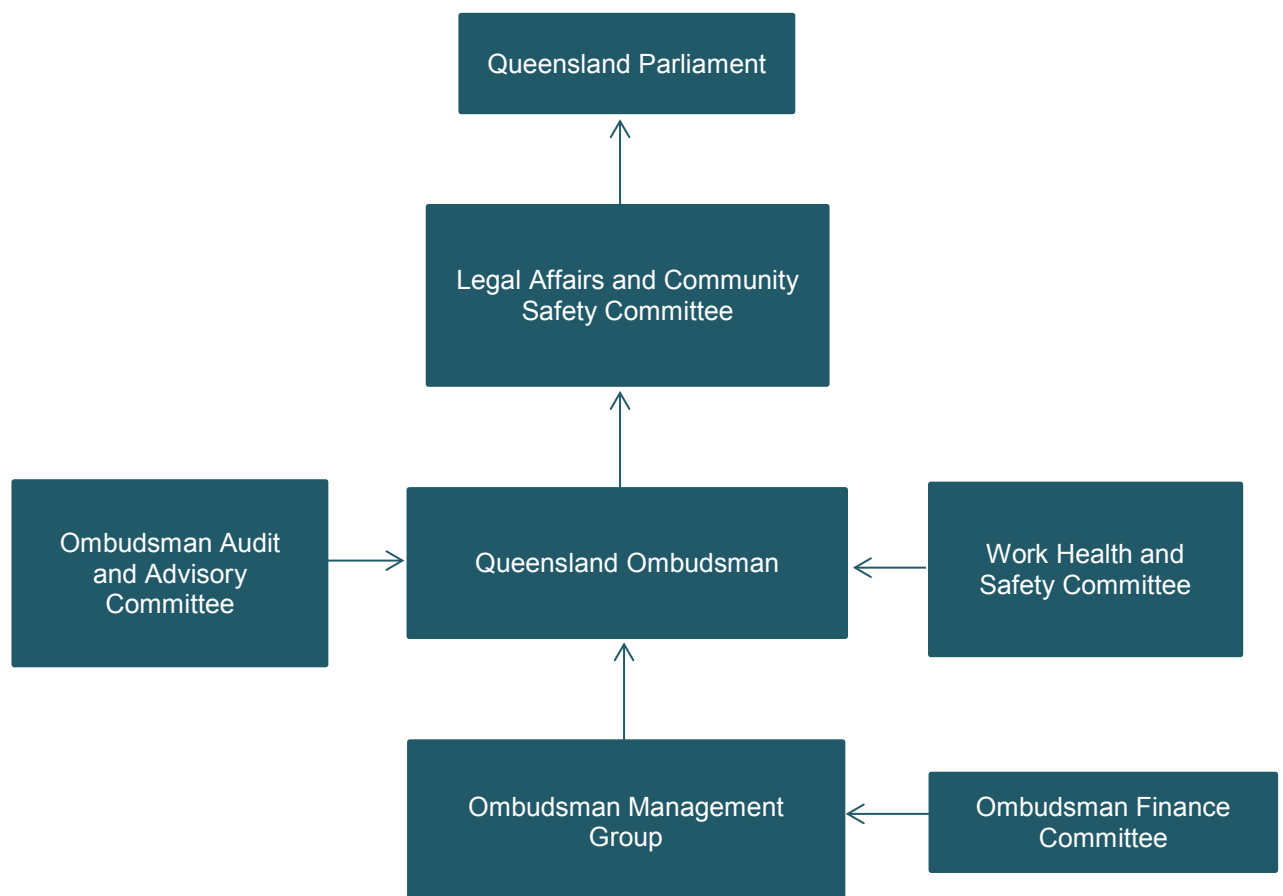


Table 14: External accountability measures

Measure	Description	Outcome
Legal Affairs and Community Safety Committee	Monitors and reviews the Office's performance and reports to the Legislative Assembly.	Accountability, transparency, high performance and compliance with statutory requirements
Estimates Committee hearing	Scrutinises the past and future (planned) financial and non-financial performance.	
External audit	Ensures compliance with financial management requirements.	
Right to Information/Information Privacy	Ensures proper processes for providing public access to documents held by the Office while safeguarding the privacy of personal information.	
Public interest disclosures	Ensures public interest disclosures about the Office are dealt with in accordance with the <i>Public Interest Disclosure Act 2010</i> .	
Annual report	Provides a full and complete picture of financial and non-financial performance.	

Table 15: Internal accountability measures

Measure	Description	Outcome
Ombudsman Management Group	Decision-making body responsible for developing corporate plans and monitoring strategic priorities, statutory responsibilities and financial management.	Accountability, transparency, high performance and compliance with statutory requirements
Audit and Advisory Committee	<p>Provides independent assurance and assistance to the Ombudsman on risk, control and compliance frameworks and external accountability responsibilities as prescribed in the <i>Financial Accountability Act 2009</i> and the Financial Accountability Regulation 2009.</p> <p>The Audit and Advisory Committee, which meets quarterly, observed the terms of its charter and had due regard to the Queensland Treasury's <i>Audit Committee Guidelines</i>.</p> <p>At every meeting, the Audit and Advisory Committee meets with the Head of Internal Audit, internal and external auditors and gives consideration to the implementation of all audit recommendations by the Office.</p> <p>The two external members of the Committee are the Chair, Mr Pat McCallum (CPA) and Mr Greg Argue. The Deputy Ombudsman, Mr Andrew Brown, also sits on the Committee.</p> <p>The Chair is the only member eligible for payment as the other members are part of the public service. An accrual of \$2,426 was made to reflect the remuneration that was owing to the Chair for the financial year. This amount will be paid in the financial year 2014-15.</p>	

Table 15: Internal accountability measures (continued)

Measure	Description	Outcome
Internal audit	<p>An Ombudsman-approved audit charter, consistent with relevant audit and ethical standards, is central to the internal audit process. This charter directs independent auditors and ensures they have unrestricted access to the Office's corporate systems.</p> <p>The Head of Internal Audit is Mr Leon Smith of the Department of Justice and Attorney-General.</p> <p>This year's internal audit was undertaken by Hayes Knight Queensland Pty Ltd, an auditing firm independent from management and the Queensland Audit Office.</p> <p>The internal audit plan approved and regularly reviewed by the Audit and Advisory Committee primarily focused on:</p> <ul style="list-style-type: none"> • human resources processes including payroll, recruitment, exiting, termination and leave management • financial processes including banking, corporate credit cards and cab charge usage • management reporting. <p>The internal audit plan considers areas of significant operational and financial risk and what arrangements are in place to manage these risks.</p> <p>The internal audit function had due regard to the Queensland Treasury's <i>Audit Committee Guidelines</i>.</p>	
Finance Committee	The Ombudsman Management Group and Principal Officer – Finance and Facilities are responsible for planning, monitoring and reporting on the Office's budget.	
Code of conduct	The Office's code of conduct was approved by the Attorney-General in October 2011.	

External accountability measures

Legal Affairs and Community Safety Committee

The Ombudsman is an officer of the Parliament and is accountable to the Queensland Legislative Assembly through the Legal Affairs and Community Safety Committee.

The committee:

- monitors and reviews the performance of the Ombudsman
- reports to the Legislative Assembly on the Ombudsman's functions, or the performance of those functions, if appropriate
- examines the annual report after it has been tabled and comments, if appropriate
- reports to the Legislative Assembly on any changes to the functions, structures and procedures considered desirable for the effective operation of the Ombudsman Act.

The following arrangements help the committee monitor and review the Ombudsman's performance:

- the committee, the Ombudsman and senior officers meet at least once a year following the tabling of the annual report
- the Ombudsman provides a written response to questions on notice from the committee for discussion at the meeting
- the Ombudsman provides responses to the committee's requests for information as they arise.

In accordance with the Ombudsman Act, a strategic review of the Ombudsman's Office was conducted independently by Mr Henry Smerdon AM and a report was tabled in Queensland Parliament on 17 May 2012.

Mr Smerdon examined the Ombudsman's functions and performance to assess whether they were being performed economically, effectively and efficiently.

The Legal Affairs and Community Safety Committee subsequently released its own report on the review including the 57 recommendations in November 2012,

after calling for submissions and conducting hearings.

The Ombudsman has implemented 46 of the review recommendations, with seven recommendations considered unsuitable to proceed or unnecessary in the current circumstances. These recommendations relate to seeking additional funding for certain functions or are not otherwise supported after recent changes to the Office have taken full effect.

Four recommendations relate to legislative change and remain unresolved. Discussions with the Department of Justice and Attorney-General are ongoing regarding a suitable timeframe for possible amendment to the Ombudsman Act.

Operational changes undertaken as a result of the Smerdon Review have had a major impact on the Office, particularly on the management and reporting of complaints. They have formed a sound base from which to continue to improve the Office's operations, including corporate services.

The project to implement recommendations from the Smerdon Review is now closed. Any outstanding actions will be incorporated into the Office's ongoing legislative program or future bids as necessary.

Estimates Committee hearing

In July 2013, the Ombudsman attended the annual Parliamentary Estimates Committee hearing as Chief Executive of the Office.

External audit

The Ombudsman met the timeframes for the preparation of financial reports for 2013-14. The audit report and certificate for the financial statements is contained in Appendix 10 – Audited financial statements.

Internal accountability measures

Planning for the future

This year, the Office adopted the Strategic Plan 2013-18 and it is available online. As part of the strategic planning process, the Office reconfirmed its four strategic objectives to reflect current priorities. The strategic plan ensures the Office is well-placed to carry out its core functions.

The Operational Plan 2013-14 aligned core strategies to specific activities, assigned responsibility to relevant officers and outlined key performance indicators.

Both the strategic and operational plans are reported on quarterly to the Ombudsman Management Group.

Identifying and managing risk

The Ombudsman Management Group continued its commitment to risk management.

External committee members, experienced in managing public sector risk issues, are members on the Office's Audit and Advisory Committee.

The Audit and Advisory Committee reviews the Office's risk plan on a quarterly basis. Under its guidance, contemporary risk assessment practices have been implemented, strengthening the governance framework.

Ombudsman Management Group

The Ombudsman Management Group (OMG) is the chief decision-making body for the Office.

The role of OMG is to:

- provide leadership to staff and model the organisational values
- set and monitor the strategic directions and budget of the Office
- monitor and discuss emerging issues of relevance to the work of the Ombudsman
- monitor performance and set priorities and targets for future performance
- ensure compliance with relevant legislation and corporate policies.

Phil Clarke Ombudsman

Mr Clarke was appointed Queensland Ombudsman in 2011.

His career in the public sector spans more than 25 years. Before being appointed Ombudsman, he was Acting Director-General and Deputy Director-General of the Department of Justice and Attorney-General.

He began his career as a surveyor before joining TAFE Queensland. He served as director of several TAFE institutes, General Manager in the Department of Employment, Training and Industrial Relations, Executive Director of the Department of Emergency Services and Deputy Director-General of the Department of Local Government, Planning, Sport and Recreation.

He holds a Bachelor of Applied Science (Surveying), a Master of Regional Science and a Diploma of Teaching (Technical and Further Education).

Andrew Brown Deputy Ombudsman

Mr Brown was appointed Deputy Ombudsman in 2011. His career in the public sector spans more than 20 years.

Before being appointed Deputy Ombudsman, he was Chief Inspector of Prisons, Queensland Corrective Services (QCS). Other previous roles include the Director, Legal Services, QCS, and various positions with Legal Aid Queensland.

He plays a key role in the strategic management of the Office and is responsible for overseeing complaint intake and investigations.

He holds a Bachelor of Arts/Law and a Master of Public Administration.

Peter Cantwell
Assistant Ombudsman, Intake and Engagement Unit

Mr Cantwell joined the Office in 1997 as an investigator. In 1999, he was appointed Assistant Ombudsman, Administrative Improvement Unit.

In 2012, Mr Cantwell was appointed to lead the new Intake and Engagement Unit, becoming responsible for training, audits, community engagement and the Registration and Preliminary Assessment Team.

Before joining the Office, he spent 20 years as a solicitor in private practice. For most of this time he was a partner in the Brisbane office of a major Australasian law firm and practised in the areas of commercial and administrative law.

Mr Cantwell is an experienced workplace trainer and holds a Bachelor of Law with Honours.

Louise Rosemann
Assistant Ombudsman, Investigation & Resolution Unit

Ms Rosemann joined the Office in 2005 as Assistant Ombudsman, Assessment and Resolution.

In 2012, she was appointed to the new Investigation and Resolution Unit. She oversees investigations about state government agencies, including corrections and universities.

Ms Rosemann has diverse experience in public sector and community sector

management, human resource management, equal opportunity employment, discrimination law, training and development, and administrative law. She has an extensive background in complaints handling and mediation.

Ms Rosemann holds a Bachelor of Arts and a Master of Business in Employment Relations.

Greg Woodbury
Assistant Ombudsman, Investigation and Resolution Unit

Mr Woodbury joined the Office in 1999 as an investigator. In 2004, he was appointed Assistant Ombudsman, Community Services and Corrections Team.

In 2012, Mr Woodbury was appointed to the new Investigation and Resolution Unit. He oversees investigations about state government agencies, including corrections, and universities.

He has more than 20 years legal experience and was a partner of a Brisbane law firm specialising in corporate law and general litigation.

Craig Allen
Assistant Ombudsman, Investigation and Resolution Unit

Mr Allen joined the Office as a senior investigator in 1999. In 2000, he was appointed Assistant Ombudsman, Local Government and Infrastructure.

In 2012, Mr Allen was appointed to the new Investigation and Resolution Unit. He oversees investigations about local council complaints and manages major investigations.

He has extensive experience in finance, operations, policy and legislation gained with the Department of Local Government and Planning and the Brisbane City Council.

Mr Allen holds a Bachelor of Business, with majors in local government and law.

Diane Gunton

Manager, Corporate Services Unit

Ms Gunton joined the Queensland Ombudsman in 2011.

She leads the Corporate Services Unit and manages the Office's administrative, financial, human resource, information technology, records management, planning, facilities, performance reporting, research, marketing and communication services.

Ms Gunton began her career at Brisbane City Council where she spent almost 20 years managing administrative and business improvement projects across several divisions.

She worked on a range of strategic projects at Queensland Health before joining the Queensland Ombudsman.

Ms Gunton holds a Bachelor of Business, with a major in management.

Public interest disclosures

An annual report on the operations of the *Public Interest Disclosure Act 2010* as required under s. 61 of the Act

Oversight of the *Public Interest Disclosure Act 2010*

The *Public Interest Disclosure Act 2010* (PID Act) encourages disclosure, in the public interest, of information about wrongdoing in the public sector.

Oversight function

The Office of the Queensland Ombudsman became the oversight agency for the PID Act on 1 January 2013.

Under the PID Act, the oversight functions include:

- monitoring the management of public interest disclosures (PIDs)
- reviewing the way public sector entities deal with PIDs
- performing an education and advisory role about PIDs.

Monitoring

Public sector entities are required to report information about PIDs they receive to the oversight body, the Queensland Ombudsman.

During the period from 1 July 2013 to 30 June 2014, a total of 725 PIDs were reported to the oversight agency, a significant decrease (38.9%) on the previous year.

Most PIDs are about official misconduct matters (90.8%) and employees of entities make most PIDs (90.6% of all PIDs).

Similar to the previous year, state government departments continue to be the main source of PIDs (62.5% of all PIDs made) and over half of all PIDs are reported in the Brisbane area.

The reported outcomes in response to PIDs in 2013–14 were:

- 47.3% substantiated
- 10.1% partially substantiated
- 38.2% not substantiated.

The Office has worked with entities within the jurisdiction of the PID Act to improve their compliance with the requirement to publish PID policies and procedures on a publicly accessible website. State government departments, universities and other educational entities and government-owned corporations have a high level of compliance with this requirement. Local councils' compliance with this requirement is improving.

Reviewing

As an oversight agency, the Office also has a role in reviewing the way in which public sector entities deal with PIDs.

In line with the review function, the Office provided advice to entities to help in the development and implementation of PID policies and procedures.

During the year, feedback was provided to 20 entities from the oversight agency on draft agency-specific PID policies and procedures.

The Office commenced a review of the Queensland Ombudsman Public Interest Disclosure Standard No 1.

Public interest disclosures

Education and advice

The Office's PIDs education and advisory services include:

- web-based information and publications
- presentations to public sector entities and audiences
- responding to queries about PIDs generally.

The Office continued to facilitate meetings of the PID Coordinators Network as a means of raising awareness about the PID Act, its purpose and compliance requirements.

This Office partnered with the Crime and Misconduct Commission and delivered information on the impact of the new definition of 'corrupt conduct' on PIDs in June 2014 to more than 200 participants.

Future

On 1 July 2014, the *Crime and Misconduct and Other Legislation Amendment Act 2014* commenced.

The commencement of these amendments will result in changes to the PID Act.

The most significant change is the replacement of 'official misconduct' with 'corrupt conduct' as one of the types of public interest information that may be disclosed by a public officer.

The new definition of 'corrupt conduct' includes four key elements and sets a higher threshold so as to capture more serious matters. Some matters that would previously have been categorised as 'official misconduct' will not meet the tests of 'corrupt conduct'. Public sector entities will continue to have a responsibility to assess and manage such matters as complaints.

An outcome of this change is that the total number of matters classified as PIDs is likely to decrease in 2014-15.

Public interest disclosures

Table 16: PIDs reported by disclosure

Disclosure type	2012-13		2013-14	
	No.	%	No.	%
Official misconduct	1036	90.9	658	90.8
Maladministration	15	1.3	16	2.2
Environment	0	0.0	5	0.7
Disability	41	3.6	14	1.9
Misuse of public resources	33	2.9	20	2.8
Public health/safety	4	0.4	7	1.0
Reprisal	11	1.0	5	0.7
Total	1140		725	

A PID may include more than one type of disclosure (for example, official misconduct and maladministration) therefore the number of PIDs by disclosure type may exceed the number of PIDs reported by agency type.

Table 17: PIDs reported by agency type

Agency type	2012-13		2013-14	
	No.	%	No.	%
Department	626	56.1	436	62.5
Local council	96	8.6	83	11.9
University/TAFE	32	2.9	23	3.3
Statutory authority	220	19.7	111	15.9
GOCs	136	12.2	39	5.6
Public service office	6	0.5	6	0.9
Total	1116		698	

Table 18: PIDs reported by discloser

Type of discloser	2012-13		2013-14	
	No.	%	No.	%
Anonymous	67	6.0	29	4.2
Manager/supervisor	51	4.6	13	1.9
Auditor	20	1.8	3	0.4
Employee of agency	919	82.3	632	90.5
Employee of another public sector agency	27	2.4	9	1.3
Member of the public	30	2.7	12	1.7
Unknown	2	0.2	0	0
Total	1116		698	

Table 19: PIDs reported by location of subject officer

Location	2012-13		2013-14	
	No.	%	No.	%
Brisbane	595	53.3	384	55.0
Central West	20	1.8	10	1.4
Darling Downs	20	1.8	18	2.6
Far North	47	4.2	32	4.6
Fitzroy	12	1.1	34	4.9
Gold Coast	145	13.0	83	11.9
Mackay	24	2.2	13	1.9
Moreton	6	0.5	3	0.4
Northern	43	3.9	32	4.6
North West	43	3.9	14	2.0
South West	13	1.2	20	2.9
Sunshine Coast	84	7.5	20	2.9
West Moreton	13	1.2	7	1.0
Wide Bay/Burnett	38	3.4	26	3.7
Not categorised	13	1.2	2	0.3
Total	1116		698	

Table 20: PIDs investigation outcomes

Investigation outcome	2012-13		2013-14	
	No.	%	No.	%
Substantiated	290	43.2	317	47.3
Partially substantiated	35	5.2	68	10.1
Not substantiated	326	48.5	256	38.2
Other	21	3.1	29	4.3
Total	672		670	

Financials

Financial summary

Managing the budget

In 2013-14, the operational budget totalled \$7.563 million. This represented a 4.6% increase from 2012-13.

In 2013-14, \$0.370 million in appropriation has been carried over to 2014-15, predominantly to fund deferred expenditure on an electronic document records management system and replacement computer hardware.

The Office benefitted from increased training revenue and the receipt of \$0.120 million in assets from the Health Quality and Complaints Commission at no cost.

Employee expenses included provision for a termination benefit and secondment costs for three staff from the Commission for Children and Young People and Child Guardian. These staff members were seconded for the final two months of 2013-14 in preparation for the resumption of oversight of child safety complaints across government.

The Office ended the year in a secure financial position with adequate reserves and forecast income to fulfil its responsibilities.

Funding

The majority of funding is received via direct appropriation from Queensland Treasury. Revenue is also generated from training programs offered to agencies on a partial cost-recovery basis. This revenue is used primarily to fund regional training sessions and the production of workbooks and training materials. Revenue is also recovered from collocating agencies for the cost of managing shared training and meeting rooms.

Expenses

The Queensland Ombudsman provides a complaint investigation service for the community and administrative improvement services for public agencies. The biggest cost in delivering these services is employee expenses, which represents 77%

of the budget. The remaining 23% is expended on general operating costs including accommodation, information and telecommunication costs.

Assets

At the end of 2013-14, assets totalled \$1.842 million comprising:

- plant and equipment \$0.946 million
- receivables and other current assets \$0.225 million
- cash at bank \$0.671 million.

Liabilities

Liabilities from 2013-14 totalled \$0.998 million which included:

- \$0.119 million in accounts payable to suppliers
- \$0.330 million owing to employees
- provision for the unearned portion of the building owner's incentive of \$0.549 million. This is associated with the construction and fit-out of premises at 53 Albert Street, which is being amortised over a period of 10 years.

The audited financial statements are available at Appendix 11.

Table 21: Summary

	Budget \$'000	Actual \$'000	Variance \$'000
Income statement			
Direct appropriations	7,634	7,257	(377)
User charges	200	436	236
Other revenue	80	209	129
Total income from continuing operations	7,914	7,902	(12)
Employee expenses	6,108	6,318	(210)
Supplies and services	1,494	1,356	138
Depreciation and amortisation	260	199	61
Other expenses	52	19	33
Total expenses from continuing operations	7,914	7,892	22
Operating surplus/(deficit)	0	10	10
Balance sheet			
Cash assets	497	671	174
Receivables	292	167	(125)
Payables	318	119	199
Capital/contributed equity	880	880	0

Glossary

Acronyms

CMS	– Complaint Management System
CSU	– Corporate Services Unit
eDRMS	– Electronic Database and Record Management System
FTE	– Full time equivalents
IRU	– Investigation and Resolution Unit
IS	– Information Standard
MCU	– Material change of use
MOG	– Machinery of Government
NAIDOC	– National Aboriginal and Islander Day Observance Committee
OMG	– Ombudsman Management Group
PIDs	– Public Interest Disclosures
PSC	– Public Service Commission
PSEA	– Public Sector Ethics Act
QCS	– Queensland Corrective Services
QPB	– Queensland Parole Board
QO	– Queensland Ombudsman
QSA	– Queensland State Archives
RAPA	– Registration and Preliminary Assessment Unit
SEQ	– South-east Queensland
SES	– Senior Executive Service
SDS	– Service Delivery Statements

Glossary

Administrative error

Decisions and administrative actions of public agencies that are unlawful, unreasonable, unjust, oppressive, improperly discriminatory or wrong.

Agency

A government department, local council or public university that falls within the jurisdiction of the Queensland Ombudsman.

Agreed action

An agreed action involves working with the agency and complainant to reach a satisfactory resolution. This is a more effective and timely way to resolve a complaint where an assessment reveals evidence of administrative error.

Complainant

A person bringing a complaint to the Office.

Complaint

An expression of dissatisfaction about an agency within jurisdiction. Complaints include complaint issues. A complainant may raise more than one issue of complaint in relation to an administrative action or decision.

Complaint finalised

A complaint that is closed by the Office after assessment, advice and/or investigation.

Complaint management system (CMS)

A system for dealing with complaints.

Complaint received

A complaint received during the financial year.

Contact

Any contact with the Office, irrespective of whether the matter is within or outside jurisdiction.

Corporate governance

The system by which an organisation is controlled and operates and the mechanisms by which it is held to account – ethics, risk management, compliance and administration are all elements of corporate governance.

Direct benefit recommendation

Any recommendation made by the Office that directly benefits the complainant, for example an apology or refund.

Enquiry

Contact where the person seeks information or assistance but does not make a specific complaint.

Internal review

Review of a decision undertaken by the agency that made the initial decision.

Internal review request

If a complainant is not satisfied with the outcome of an assessment or investigation by the Office, they can ask that the decision be reviewed by another officer at the same or more senior level to the decision-maker.

Major investigation

Significant time and resources are expended on investigating systemic administrative errors.

Maladministration

A formal finding of administrative error by the Ombudsman under s.50 of the *Ombudsman Act 2001*.

Out of jurisdiction matter

A matter that the Office does not have the power to investigate.

Own-initiative investigation

The Queensland Ombudsman decides to undertake an investigation into systemic issues in a certain agency without receiving a complaint.

Preliminary assessment

An analysis of a complaint by the Office to determine how it should be managed.

Prisoner PhoneLink

With the assistance of Queensland Corrective Services, a free telephone service that allows prisoners direct and confidential access to the Office at set times. This service allows prisoners to contact the Queensland Ombudsman for assistance with a complaint, rather than waiting for staff to visit their correctional centre.

Public administration

The administrative practices of Queensland public sector agencies.

Public Interest Disclosure (PID)

A confidential disclosure of wrongdoing within the public sector that meets the criteria set out in the *Public Interest Disclosure Act 2010*. PIDs commonly include allegations of official misconduct or maladministration.

Public reports

A report issued by the Queensland Ombudsman under s.50 of the *Ombudsman Act* that is tabled in Parliament or publicly released with the Speaker's authority.

Recommendation

Advice provided by the Queensland Ombudsman to an agency to improve administrative practices. The Ombudsman cannot direct agencies to implement recommendations but they rarely refuse to do so. If agencies do refuse, the Ombudsman can require them to provide reasons and report to the relevant Minister, the Premier or Parliament if not satisfied with the reasons.

Rectification

An investigation that results in the total or partial resolution of the complaint.

Referral

When a matter is outside the Queensland Ombudsman's jurisdiction, and advice or help is provided to the complainant about the right complaints agency. Recording matters as referrals ceased in 2012-13.

Review

The Queensland Ombudsman may conduct a review of the administrative practices and procedures of an agency and make recommendations for improvements.

Systemic issue

An error in an agency's administrative process that may impact on a number of people.

Appendices

Appendices

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Appendix 1: Statistical report

Table 1: Contact with the Office by file type

	2011-12	2012-13	2013-14
Referral (telephone) ¹	6,497	0	0
Referral (online complaint form) ¹	4,171	3,437	0
Out of jurisdiction ¹	1,454	4,804	5,134
Complaint	8,466	6,363	6,308
Inquiry	767	528	467
Review request	50	54	58
Public interest disclosures	24	5	28
Total	21,429	15,191	11,995

1. Prior to April 2012, out of jurisdiction matters received by telephone or the online complaint form were reported as referrals. All matters received in writing were reported as complaints and subsequently declined if they concerned issues or agencies outside the jurisdiction of the Office. Since 2 April 2012, all contacts about issues or agencies outside the jurisdiction of this Office are reported as out of jurisdiction contacts, regardless of how they are received. From July 2013, out of jurisdiction matters received via the online complaint form, where automated referral advice only is provided, are no longer reported.

Table 2: How complaints were received¹

	2011-12	2012-13	2013-14
Telephone	3,295	2,963	3,105
Prisoner PhoneLink	679	401	450
Voicemail	144	100	86
Email	1,499	1,006	975
Online complaint form	1,361	983	808
Mail	1,222	751	717
Fax	86	45	41
In person	117	64	72
Correctional centre interview	63	50	54
Total	8,466	6,363	6,308

1. This data has not been adjusted for matters outside the jurisdiction of the Office received in 2011-12.

Table 3: Complaints received and brought forward¹

	2011-12	2012-13	2013-14
Complaints received	8,466	6,363	6,308
Complaints brought forward	368 ²	186	143

1. This data has not been adjusted for matters outside the jurisdiction of the Office received in 2011-12.
 2. The 2010-11 annual report identified complaints open as 371. This was reduced to 368 after subsequent validation.

Table 4: Complaints finalised¹

	2011-12	2012-13	2013-14
Complaints finalised	8,648	6,406	6,293
Complaints open	186	143	158

1. This data has not been adjusted for matters outside the jurisdiction of the Office received in 2011-12.

Table 5: Complaints received by agency type¹

	2011-12	2012-13	2013-14
State government departments	5,195	3,663	3,435
Local councils	1,967	1,708	1,778
Universities	333	367	338
Other ²	971	625	757
Total	8,466	6,363	6,308

1. This data has not been adjusted for matters outside the jurisdiction of the Office received in 2011-12.

2. Other includes statutory authorities. In 2013-14, the Office received 734 complaints about statutory authorities and 23 complaints from other sources.

Table 6: Time to finalise complaints (in days)¹

	2011-12	2012-13	2013-14
<10	7,307	5,091	4,436
<30	462	835	1,401
<60	273	184	220
<90	183	74	89
<180	222	143	122
<270	105	41	15
≤365	57	18	7
>365	39	20	3
Total	8,648	6,406	6,293

1. This data has not been adjusted for matters outside the jurisdiction of the Office received in 2011-12.

Table 7: Age of open complaints at 30 June (in days)

	2011-12	2012-13	2013-14
<10	58	65	64
<30	21	38	40
<60	34	22	20
<90	27	8	18
<180	25	4	12
<270	21	4	1
≤365	0	2	1
>365	0	0	2
Total	186	143	158

Table 8: Reasons why complaints were declined

	2011-12	2012-13 ¹	2013-14 ¹
Referred for internal review by agency	4,014	3,741	3,463
Await outcome of current decision process	543	432	446
Complaint to be put in writing	357	420	626
Other complaints entity has/will investigate	163	214	244
Appeal right should be exhausted	309	266	209
Investigation unnecessary or unjustifiable	678	142	129
No sufficient direct interest	100	64	78
Out of jurisdiction	1,206	113	73
Appeal right exhausted & further investigation unnecessary	22	33	23
Out of time	71	35	12
Frivolous, vexatious or not made in good faith	7	3	0
Trivial	5	1	0
Other	0	46	13
Total	7,475	5,510	5,316

1. In 2012-13, new workflows were implemented to distinguish between complaints declined at preliminary assessment and complaints that were referred for investigation and subsequently discontinued. The 2012-13 and 2013-14 data in the table above relates only to matters declined during preliminary assessment. Matters shown as 'referred for internal review by the agency' and 'await outcome of current decision process' in this table are referred to as premature matters in the main body of the report. The remaining categories are referred to as 'declined with advice' in the main body of the report.

Table 9: Outcome of complaints finalised¹

	2011-12	2012-13	2013-14
Declined at outset/preliminary assessment	7,475	5,510	5,316
Rectified during preliminary assessment	0	38	20
Complaints declined	7,475	5,548	5,336
Withdrawn by complainant before investigation commenced	117	63	57
Withdrawn by complainant during investigation	12	11	7
Complaints withdrawn	129	74	64
Investigation discontinued ^{2,3}	226	302	230
Investigation completed ^{2,3}	818	482	683
Total^{2,3}	8,648	6,406	6,313

1. This data has not been adjusted for matters outside the jurisdiction of the Office received in 2011-12.
2. In 2012-13 the Office established a new definition of an investigation. In previous years the final outcome of the complaint was used to define an investigation. From 1 July 2012, the definition focuses on the process applied in handling the complaint as opposed to the outcome. Any matter resolved during preliminary assessment is not reported as an investigation. As a result of the change in definition it is not possible to undertake a meaningful comparison of the number of investigation undertaken in 2012-13 or 2013-14 with previous financial years.
3. To provide a consistent comparison with data reported in previous years, the number of investigations completed in 2012-13 and 2013-14 excludes the own-initiative investigations included in the main body of the report. PID matters investigated in 2013-14 are included.

Table 10: Types of administrative error

	2011-12	2012-13	2013-14
Contrary to law	1	1	3
Based on a mistake of law or fact	0	3	3
Unreasonable or unjust	26	9	2
Reasons not given/inadequate	5	0	1
Wrong	4	0	0
Improperly discriminatory	0	0	0
Irrelevant grounds or considerations	0	1	0
Total	36	14	9

1. The administrative error types relate only to recommendations made by the Ombudsman. Agreed actions are excluded.
2. To provide a consistent comparison with data reported in 2011-12, the types of administrative error identified in 2012-13 and 2013-14 exclude any in relation to own-initiative investigations that are included in the main body of the report.

Table 11: Types of recommendations made to agencies

	2011-12	2012-13	2013-14
Direct benefit	11	33	56
Systemic	128	150	90
Total	139	183	146

Appendix 2: Training

Agencies that participated in Complaints Management Training

Local councils	Fraser Coast Regional Council
	Southern Downs Regional Council
	Townsville City Council
	Whitsunday Regional Council
State agencies	Department of Communities
	Department of Education, Training and Employment
	Department of Natural Resources and Mines
	Queensland Urban Utilities
	West Moreton Hospital and Health Service
Universities	James Cook University

Agencies that participated in Good Decisions Training

Local councils	Gold Coast City Council
	Lockyer Valley Regional Council
	Whitsunday Regional Council
State agencies	Department of Communities
	Department of Environment and Heritage Protection
	Department of State Development, Infrastructure and Planning
	Mount Isa Hospital and Health Service
	Sunshine Coast Medicare Local

Agencies that participated in Your Ethical Compass Training

Local councils	Western Downs Regional Council
State agencies	Australian Agricultural College Corporation
	Department of Justice and Attorney-General
	Department of National Parks, Recreation, Sport and Racing
	Department of Natural Resources and Mines
	Department of Premier and Cabinet
	Mount Isa Hospital and Health Service
	Queensland Audit Office

Agencies that participated in Administrative Investigations Training

Local councils	Fraser Coast Regional Council
State agencies	Mount Isa Hospital and Health Service
	Sunshine Coast Hospital and Health Service
Universities	James Cook University
	James Cook University Student Association

Appendix 3: Right to information and privacy

Right to information

While the inclusion of information arising from the administration of the *Right to Information Act 2009* is optional in the annual reports of Queensland government agencies, the Queensland Ombudsman has chosen to do so in the spirit of transparency and accountability.

One application that was carried over from 2012-13 was finalised and no new applications were received during 2013-14.

Right to privacy

Under the administration of the *Information Privacy Act 2009*, three applications were received during 2013-14. Of those, two progressed to internal review: one was subsequently withdrawn by the applicant, and the other applicant chose to have the decision reviewed externally by the Office of the Information Commissioner, which affirmed the original decision.

Third party consultation

Five agencies sought third party consultation in relation to documents that may have been of concern to the Queensland Ombudsman if released. In all cases there was no objection to release of the documents. However, in one case, by agreement with the consulting agency, a small amount of information that had the potential to identify a complainant was removed.

Administrative release

Two members of the public who had previously lodged complaints with the Ombudsman sought copies of their own correspondence and documents they had sent to the Office. As no records involved a third party, copies were made and provided in both cases. One person, who had lost his records in flood waters, was particularly grateful that he was able to obtain a replacement set of records.

Disciplinary action/fees

No disciplinary action or offences occurred in relation to any officers under the relevant legislation and no money was collected in application fees or processing charges.

Appendix 4: Managing complaints

Complaints management system (CMS)

Complaints are a valuable source of feedback and a means of identifying areas for improvement.

A CMS has been implemented to manage complaints about this Office in a fair, objective and timely way.

The CMS is supported by a written complaints management policy and procedure, complaints database and experienced staff trained in complaints management. The policy is consistent with the Strategic Plan, Client Service Charter and the Public Service Commission's *Directive 13/06 Complaints Management Systems*.

The policy applies to:

- any case where a person has made a complaint to the Office and is dissatisfied with the assessment, investigation or final decision
- any aspect of service provided by the Office
- the conduct of an Ombudsman officer.

Complaints reporting and analysis

A review of a complaint may:

- confirm, revoke or amend the original decision
- reopen the original investigation
- better explain the original decision
- offer an apology or some other remedy.

In 2013-14 58 internal review requests were received and 55 were finalised. The original decision was confirmed in 47 cases. In eight cases further investigation was undertaken.

The outcome of each internal review is reported to the original decision-maker to improve systems and procedures.

There were no significant systemic improvements identified or implemented during the year as a result of internal reviews. This is because most complaints involved factual disputes or differences of opinion about the significance of particular evidence.

Appendix 5: Overseas travel

No officers travelled overseas during 2013-14.

Appendix 6: Consultancies

The Office did not engage any consultants during 2013-14.

Appendix 7: Information systems and recordkeeping

New documentation

During 2013-14, a suite of recordkeeping documents was prepared, including:

- Records Management Policy
- Records Management Procedures
- File Retrieval Procedure
- Schedule of Restricted Access Periods
- Eight administrative instructions on:
 - sufficiency of search
 - naming convention
 - sentencing and restricted access period
 - archiving
 - drafts and ephemeral documents
 - PDF documents and proof of postage
 - emails
 - return of documents.

Responsibility and training

The policy and procedures make it clear that all staff are responsible for making and keeping records in accordance with legislation, information standards and other relevant guidelines and procedures. In practice, all staff create and capture public records in their possession into the recordkeeping system, including emails.

During the year, as a result of a review of the Corporate Services Unit, some responsibility for recordkeeping functions was assigned to the Executive Coordinator position. The incumbent has commenced training to obtain a Certificate IV Recordkeeping and attends Queensland State Archives (QSA) workshops and forums to strengthen knowledge in this area. An *Introduction to Recordkeeping* workshop (based on QSA training material) was provided to all staff. New staff will be required to complete the online training course provided by QSA.

Transferred records

During 2013-14, complaint records from 1998 to 2001 with a permanent status were transferred to QSA, along with a small number of administrative records.

Digital records

From 2002, when the current electronic complaint system was implemented, digital complaint records have been considered the primary public record in the Office. However, for records deemed permanent under the *Office of the Queensland Ombudsman Retention and Disposal Schedule: QDAN 553 v2*, a corresponding paper file has been created and maintained in order to preserve original incoming correspondence that is not eligible for early disposal after digitisation under *General Retention and Disposal Schedule for Original Paper Records that have been Digitised: QDAN 656 v1*.

Because QSA considers the records to be 'hybrid' (that is, part digital, part paper) permanent records from 2002 to the current time have not been accepted for transfer to QSA. Once QSA implements a digital archive, both versions of the records will be accepted at the same time. In the meantime, the permanent paper records are being held in an offsite storage facility.

In 2014-15, a solution will be implemented to ensure all agendas, minutes and papers of the Ombudsman Management Group meetings that are created digitally will stay digital and not be printed.

Security breaches

No serious breaches of the recordkeeping system were detected during the year under review.

Administrative records resentedenced

In March 2014, as a result of the release by QSA of the *General Retention and Disposal Schedule for Administrative Records: QDAN 249 v7*, all administrative records in the Office as well as those stored offsite (awaiting destruction) were resentedenced. As a result, many temporary staff human resource records have had their retention periods increased from 10 years to 80 years, resulting in longer storage time.

Sentencing and archiving

All staff are responsible for sentencing their own records under the relevant retention and disposal schedules. Archiving takes place in January each year. Temporary records that have met their minimum retention periods are recorded on a destruction log, boxed and sent out for disposal with the Ombudsman's authorisation. Temporary records that have not yet met their minimum retention periods are recorded on a 'future' destruction list, boxed and sent out for storage. Once they become due for destruction, they are transferred to the destruction log and the Ombudsman authorises their disposal. Destruction certificates are obtained for all disposals carried out by the service provider.

Review of Ombudsman retention and disposal schedule

The current *Office of the Queensland Ombudsman Retention and Disposal Schedule: QDAN 553 v2* was approved by the State Archivist on 27 January 2009 and consideration will be given to reviewing it in 2014-15. Among other things, the review will focus on whether it is necessary for every complaint investigated to be a permanent record and therefore eventually held at QSA.

Implementation of electronic document records management system (eDRMS)

In 2014-15, consideration will be given to implementing an eDRMS to improve electronic recordkeeping functionality, such as searching, sentencing and archiving of records.

Appendix 8: Cultural Diversity Policy

Whole-of-Government core outcome		
Core outcome	Performance indicators	Measure
Improved access to interpreters for clients when accessing services	Amount spent annually on interpreters engaged by the Office	\$1,674.42
	Number of interpreters engaged annually by the Office	22

Appendix 9: Open data

The *Queensland Ombudsman Annual Report 2013-14* includes extensive information about the work of the Office and statistics about complaints and complaint-handling.

The report will be published on the Office's website, www.ombudsman.qld.gov.au after it is tabled in Parliament.

Details of the Office's expenditure on consultancies, overseas travel and interpreters has been published online at: www.ombudsman.qld.gov.au/Aboutus/Righttoinformation/PublicationScheme/OurLists.

Appendix 10: Compliance checklist

Summary of requirement		Basis for requirement	AR reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister 	ARRs – section 8	Opening pages
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 10.1	Opening pages Page 63
	<ul style="list-style-type: none"> Public availability 	ARRs – section 10.2	Inside front cover
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 10.3	Inside front cover
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 10.4	Inside front cover
	<ul style="list-style-type: none"> Information licensing 	<i>Queensland Government Enterprise Architecture – Information licensing</i> ARRs – section 10.5	Inside front cover
General information	<ul style="list-style-type: none"> Introductory information 	ARRs – section 11.1	Page 1
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 11.2	Page 3
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 11.3	Page 6-7
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 11.4	Not applicable
Non-financial performance	<ul style="list-style-type: none"> Government objectives for the community 	ARRs – section 12.1	Page 4
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 12.2	Not applicable
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 12.3	Page 8-9
	<ul style="list-style-type: none"> Agency service areas, service standards and other measures 	ARRs – section 12.4	Page 10
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 13.1	Page 60-62
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 14.1	Page 2
	<ul style="list-style-type: none"> Executive management 	ARRs – section 14.2	Page 53-55
	<ul style="list-style-type: none"> Related entities 	ARRs – section 14.3	Not applicable
	<ul style="list-style-type: none"> Government bodies 	ARRs – section 14.4	Not applicable
	<ul style="list-style-type: none"> <i>Public Sector Ethics Act 1994</i> 	<i>Public Sector Ethics Act 1994</i> (section 23 and Schedule) ARRs – section 14.5	Page 47
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 15.1	Page 53
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 15.2	Page 52
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 15.3	Page 50

Summary of requirement		Basis for requirement	AR reference
	• Internal audit	ARRs – section 15.4	Page 51
	• Public Sector Renewal	ARRs – section 15.5	Not applicable
	• Information systems and recordkeeping	ARRs – section 15.7	Appendix 7
Governance – human resources	• Workforce planning, attraction and retention, and performance	ARRs – section 16.1	Page 46-51
	• Early retirement, redundancy and retrenchment	Directive No.11-12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 16.2	Page 48
Open Data	• Open Data	ARRs – section 17	Appendix 9
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	Appendix 11
	• Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	Appendix 11
	• Remuneration disclosures	<i>Financial Reporting Requirements for Queensland Government Agencies</i> ARRs – section 18.3	Appendix 11

Appendix 11: Audited financial statements

OFFICE OF THE QUEENSLAND OMBUDSMAN

FINANCIAL STATEMENTS

For the year ended 30 June 2014

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Independent Auditor's report	32

General Information

These financial statements cover the Office of the Queensland Ombudsman.

The Queensland Ombudsman is an independent officer of the Parliament appointed by the Governor in Council to review complaints received from the public in respect of the administrative performance of public sector agencies. The scope and powers of the Ombudsman are incorporated in the *Ombudsman Act 2001*.

The Office is controlled by the State of Queensland which is the ultimate parent.

For accounting purposes, the Office is a department in terms of the *Financial Accountability Act 2009* and is subsequently consolidated into the Whole-of-Government financial report.

The head office and principal place of business is: 53 Albert Street, Brisbane.

A description of the nature of the Ombudsman's operations and principal activities is included in the notes to the financial statements.

For information in relation to the Office's financial statements please contact Diane Gunton, Manager, Corporate Services, on 3005 7000 or ombudsman@ombudsman.qld.gov.au or visit www.ombudsman.qld.gov.au.

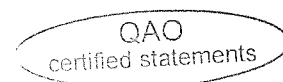
	Notes	2014 \$'000	2013 \$'000
Income from continuing operations			
Appropriation revenue for services	2	7,257	7,050
User charges and fees	3	436	279
Other revenue	4	209	125
Total income from continuing operations		7,902	7,454
Expenses from continuing operations			
Employee expenses	5, 6	6,318	5,798
Supplies and services	7	1,356	1,437
Depreciation and amortisation	8	199	220
Other expenses	9	19	(1)
Total expenses from continuing operations		7,892	7,454
Operating result from continuing operations		10	-
Total comprehensive income		10	-

The accompanying notes form part of these statements.

OFFICE OF THE QUEENSLAND OMBUDSMAN
Statement of financial position as at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Current assets			
Cash and cash equivalents	10	671	537
Receivables	11	167	224
Other current assets	12	58	-
Total current assets		896	761
Non-current assets			
Intangible assets	13	-	-
Plant and equipment	14	946	1,025
Total non-current assets		946	1,025
Total assets		1,842	1,786
Current liabilities			
Payables	15	119	105
Accrued employee benefits	16	330	188
Other current liabilities	17	110	110
Total current liabilities		559	403
Non-current liabilities			
Other non-current liabilities	17	439	549
Total non-current liabilities		439	549
Total liabilities		998	952
Net assets		844	834
Equity			
Contributed equity		880	880
Accumulated surplus/(deficit)		(36)	(46)
Total equity		844	834

The accompanying notes form part of these statements.



OFFICE OF THE QUEENSLAND OMBUDSMAN
Statement of changes in equity for year ended 30 June 2014

	Notes	Accumulated Surplus/ (Deficit) \$'000	Contributed Equity \$'000	Total \$'000
Balance as at 1 July 2012		(46)	880	834
Operating result from continuing operations		-	-	-
Transactions with owners as owners:				
- Appropriated equity (withdrawal)/injection	2	-	-	-
Balance as at 30 June 2013		(46)	880	834
Balance as at 1 July 2013		(46)	880	834
Operating result from continuing operations		10	-	10
Transactions with owners as owners:				
- Appropriated equity (withdrawal)/injection	2	-	-	-
Balance as at 30 June 2014		(36)	880	844

The accompanying notes form part of these statements.

OFFICE OF THE QUEENSLAND OMBUDSMAN
Statement of cash flows for year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
Service appropriation receipts		7,257	7,050
User charges and fees		415	395
GST input tax credits from Australian Taxation Office		168	153
GST collected from customers		53	42
Other		131	83
<i>Outflows:</i>			
Employee expenses		(6,150)	(5,772)
Supplies and services		(1,510)	(1,531)
GST paid to suppliers		(161)	(164)
GST remitted to Australian Taxation Office		(51)	(48)
Other		(18)	(31)
Net cash provided by operating activities	18	134	177
Cash flows from investing activities			
<i>Outflows:</i>			
Payments for plant and equipment		-	(21)
Net cash (used in) investing activities		-	(21)
Net increase in cash and cash equivalents		134	156
Cash and cash equivalents at beginning of the financial year		537	381
Cash and cash equivalents at end of the financial year	10	671	537

The accompanying notes form part of these statements.

Objectives and principal activities of the Office

Note 1	Summary of significant accounting policies
Note 2	Reconciliation of payments from consolidated fund to appropriation revenue for services recognised in statement of comprehensive income Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity
Note 3	User charges and fees
Note 4	Other revenue
Note 5	Employee expenses
Note 6	Key management personnel and remuneration expenses
Note 7	Supplies and services
Note 8	Depreciation and amortisation
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Note 13	Intangible assets
Note 14	Plant and equipment
Note 15	Payables
Note 16	Accrued employee benefits
Note 17	Other current and non-current liabilities
Note 18	Reconciliation of operating surplus to net cash from operating activities
Note 19	Commitments for expenditure
Note 20	Contingencies
Note 21	Events occurring after balance date
Note 22	Financial instruments

Objectives and principal activities of the Office

The Queensland Ombudsman has a dual role: to provide a fair, independent and timely investigative service for people who believe they have been adversely affected by the decisions of public agencies and to help agencies improve their decision-making and administrative practice.

The majority of investigations undertaken arise from complaints received, but the Queensland Ombudsman may undertake own initiative investigations.

The objectives of the Office are:

- fair and reasonable treatment of people's complaints
- unfair or unjust public agency decisions are rectified
- public sector agencies improve their decision making
- to be a capable and accountable organisation.

1. Summary of significant accounting policies

(a) Statement of compliance

The Office has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2014, and other authoritative pronouncements.

With respect to compliance with Australian accounting standards and interpretations, the Office has applied those requirements applicable to not-for-profit entities, as the Office is a not-for-profit department. Except where stated, the historical cost convention is used.

(b) The reporting entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of the Office. There are no controlled entities.

A statement of comprehensive income by major departmental services has not been prepared as the Office is a single service entity.

There are no administered transactions and balances that relate to the Office.

(c) Appropriation revenue for services

Appropriations provided under the *Appropriation Act 2013* are recognised as revenue when received.

(d) User charges and fees

User charges and fees controlled by the Office are recognised as revenue when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the Office where they can be deployed for the achievement of its objectives.

(e) Special payments

Special payments include ex gratia expenditure and other expenditure that the Office is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the Office maintains a register setting out details of all special payments greater than \$5,000. The total of all special payments is disclosed separately within Other expenses (Note 9). However descriptions of the nature of special payments are only provided where greater than \$5,000. No special payments were made in the year to 30 June 2014.

(f) Cash and cash equivalents

For the purposes of the Statement of financial position and the Statement of cash flows, cash assets includes all cash and cheques receipted but not banked at 30 June 2014 and also include available franking machine credit.

(g) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment if applicable. All known bad debts were written off as at 30 June 2014.

(h) Acquisitions of assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Where assets are received free of charge from another Queensland department (whether as a result of a machinery-of-Government or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland government entity, are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

(i) Plant and equipment

Items of plant and equipment with a cost, or other value, equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition.

Items with a lesser value are expensed in the year of acquisition.

(j) Revaluation of non-current physical assets

Plant and equipment, (that is not classified as major plant and equipment) is measured at cost in accordance with Queensland Treasury and Trade's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment at cost should not materially differ from their fair value.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

(k) Intangibles

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. It has been determined that there is not an active market for any of the Office's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

(l) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

The Office currently records its assets and liabilities at cost in accordance with government policy. The carrying values of these assets and liabilities are not materially different from fair value. Consequently the Office does not categorise its assets and liabilities within the levels described by AASB 13 *Fair Value Measurement* para 72.

(m) Amortisation and depreciation of intangibles and plant and equipment

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or re-valued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Office.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Office.

The depreciable amount of leasehold improvements is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of leases includes any option period where exercise of the option is probable.

Items comprising the Office's technical library are expensed on acquisition.

All intangible assets of the Office have finite useful lives and are amortised on a straight line basis.

For each class of depreciable asset the following depreciation and amortisation rates are used:

Class	Rate %
<i>Plant and equipment</i>	
Computer equipment	33.3
Office equipment	33.3
Office furniture and fit out	10.0
<i>Intangibles</i>	
Software purchased	33.3

(n) Impairment of non-current assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Office determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of comprehensive income.

(o) Leases

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

(p) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(q) Financial instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of financial position when the Office becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value through profit and loss
- Receivables - held at amortised cost
- Payables – held at amortised cost

The Office does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Office holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Office are included in Note 22.

(r) Employee benefits

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, salaries and sick leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of financial position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months of reporting date, the liabilities are recognised at their undiscounted values. Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual leave

Under the Queensland Government's Annual Leave Central Scheme (ALCS) a levy is made on the Office to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

No provision for annual leave has been recognised in the Office's financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Long service leave

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the Office to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

No provision for long service leave is recognised in the Office's financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Office's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Key management personnel and remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to note 6 for the disclosures on key management personnel and remuneration.

(s) Insurance

The Office's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Office pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(t) Contributed equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes are adjusted to 'Contributed Equity' in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

(u) Taxation

The Office is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Office.

GST credits receivable from, and GST payable to the ATO, are recognised (refer to note 11).

(v) Issuance of financial statements

The financial statements are authorised for issue by the Queensland Ombudsman, Manager, Corporate Services Division and Principal Officer, Finance and Facilities at the date of signing the management certificate.

(w) Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have that potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Estimate of useful lives of plant and equipment and estimated replacement cost of fully depreciated plant and equipment – note 1(m) and note 14
- Estimate of useful lives of intangible assets – note 1(m) and note 14

(x) Rounding and comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(y) New and revised accounting standards

The Office did not voluntarily change any of its accounting policies during 2013-14. The only Australian Accounting Standard changes applicable for the first time as from 2013-14 that have had a significant impact on the Office's financial statements are those arising from AASB 13 *Fair Value Measurement*, as explained below.

AASB 13 *Fair Value Measurement* became effective from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements apply to all of the Office's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The impacts of AASB 13 relate to the fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.

The Office reviewed its fair value methodologies (including data used and assumptions made) for all items of plant and equipment measured at fair value to assess whether those methodologies comply with AASB 13. To the extent that the previous methodologies were not in compliance with AASB 13, valuation methodologies were revised accordingly to be in line with AASB 13. The revised valuation methodologies have not resulted in material differences from the previous methodologies.

AASB 13 has required an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. For those fair value measurements of assets or liabilities that substantially are based on data that is not 'observable' (i.e. accessible outside the Office), the amount of information disclosed has increased. Note 1(l) explains some of the principles underpinning the additional fair value information disclosed. Most of this additional information is set out in note 14 Property Plant and Equipment.

A revised version of AASB 119 *Employee Benefits* became effective for reporting periods beginning on or after 1 January 2013. As the Office does not directly recognise any employee benefit liabilities (refer to Note 1(r)), the only implications for the Office were the revised concept of 'termination benefits' and the revised recognition criteria for termination benefit liabilities. If termination benefits meet the AASB 119 timeframe criterion for 'short-term employee benefits', they will be measured according to the AASB 119 requirements for 'short-term employee benefits'. Otherwise, termination benefits need to be measured according to the AASB 119 requirements for 'other long-term employee benefits'. Under the revised standard, the recognition and measurement of 'other long-term employee benefits' are accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 includes changed criteria for accounting for employee benefits as 'short-term employee benefits'. However, as the Office is a member of the Queensland Government central schemes for annual leave and long service leave, this change in criteria has no impact on the Office's financial statements as the employer liability is held by the central scheme. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. The Office makes employer superannuation contributions only to the QSuper defined benefit plan, and the corresponding QSuper employer benefit obligation is held by the State. Therefore, those changes to AASB 119 will have no impact on the Office.

(y) New and revised accounting standards (cont'd)

AASB 1053 *Application of Tiers of Australian Accounting Standards* became effective for reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two Tiers of reporting requirements – Australian Accounting Standards (commonly referred to as 'Tier 1'), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as 'Tier 2'). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

Pursuant to AASB 1053, public sector entities like the Office may adopt Tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the Tier 1 requirements. In the case of the Office, Queensland Treasury and Trade is the regulator. Queensland Treasury and Trade has advised that its policy decision is to require adoption of Tier 1 reporting by all Queensland Government departments (including the Office) and statutory bodies that are consolidated into the whole-of-Government financial statements. Therefore, the release of AASB 1053 and associated amending standards has had no impact on the Office.

The Office is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury and Trade. Consequently, the Office has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The Office applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below.

AASB 1055 *Budgetary Reporting* applies from reporting periods beginning on or after 1 July 2014. The Office will need to include in its 2014-15 financial statements the original budgeted figures from the Income Statement, Balance Sheet, Statement of Changes in Equity, and Cash Flow Statement as published in the 2014-15 Queensland Government's Service Delivery Statements. The budgeted figures will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding original budgeted figures.

The following relevant new and revised standards apply as from reporting periods beginning on or after 1 January 2014 –

- AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]; and
- AASB 2013-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities*.

AASB 9 *Financial Instruments* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] will become effective for reporting periods beginning on or after 1 January 2017. The main impacts of these standards on the Office are that they will change the requirements for the classification, measurement and disclosures associated with the Office's financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(y) New and revised accounting standards (cont'd)

The Office has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the Office's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Office enters into, it is not expected that any of the Office's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2017-18 financial statements, all of the Office's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classifications presently used in Notes 1(q) and 22). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the Office's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

The Office will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2017-18. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2017-18 financial statements to explain the impact of adopting AASB 9.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Office's activities, or have no material impact on the Office.

2. Reconciliation of payments from consolidated fund to appropriation revenue for services recognised in statement of comprehensive income

	2014 \$'000	2013 \$'000
Budgeted appropriation revenue for services	7,634	7,253
Transfers from/(to) other headings – variations in headings	-	135
Lapsed appropriation revenue for services	(377)	(338)
Appropriation revenue for services recognised in statement of comprehensive income	7,257	7,050

Lapsed appropriation revenue for services relates to a deferral of expenditure on employees due to unanticipated staff vacancies and the deferral of funding from 2013-14 to 2014-15 for the electronic data records management system project, employee expenses and replacement computers. The Office also benefitted from higher revenue reflected in notes 3 and 4 below.

Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity

Budgeted equity adjustment appropriation	-	-
Transfers from/(to) other headings – variations in headings	-	-
Equity adjustment recognised in contributed equity	-	-

3. User charges and fees

Training programs	380	245
Training room hire	56	34
Right to information fees	-	-
Total	436	279

4. Other revenue

Assets acquired at no cost	120	-
Venue management	85	86
Sundry revenue	4	39
Total	209	125

On 30 June 2014 the Office acquired computer and office equipment from the Health Quality and Complaints Commission with a written down value of \$120,294. Refer also to note 1 (h), note 14 and note 18.

5. Employee expenses

Employee benefits	2014 \$'000	2013 \$'000
Wages and salaries	4,609	4,295
Employer superannuation contributions*	624	588
Annual leave levy*	458	422
Long service leave levy*	104	91
Termination benefits	126	-
Other employee benefits	19	34
Employee related expenses		
Workers' compensation premium*	25	22
Payroll Tax*	276	259
Other employee related expenses	77	87
Total	6,318	5,798

*Refer to Note 1(r)

The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information) is:

	2014	2013
Number of employees	57	60

The number of employees in 2013 included four temporary staff employed on a short term basis for a specific project.

6. Key management personnel and remuneration**a) Key management personnel**

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Office during 2013-14. Further information on these positions can be found in the body of the Annual Report under the section relating to the Ombudsman Management Group.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Ombudsman	The efficient, effective and economic administration of the Office.	CEO 5	10/1/2011
Deputy Ombudsman	The management of the Registration and Preliminary Assessment Team (RAPA) and the Investigation and Resolution Unit (IRU) in meeting the Office's statutory functions efficiently and effectively.	SES 3	10/10/2011
Assistant Ombudsman, Intake and Engagement Unit	Assessment of complaints for referral to IRU or other agencies as relevant; undertaking community engagement, delivering training programs and auditing agencies' complaints management systems.	SO	21/7/1997
Manager, Corporate Services Unit	Leading and managing the Corporate Services Unit.	SO	3/5/2011
Assistant Ombudsman, Investigation and Resolution Unit	Leading and managing a team within the IRU focusing on selected state government agencies, correctional centres and universities.	SO	10/6/2005
Assistant Ombudsman, Investigation and Resolution Unit	Leading and managing a team within the IRU focusing on local government and major investigations.	SO	22/12/1998
Assistant Ombudsman, Investigation and Resolution Unit	Leading and managing a team within the IRU focusing on selected state government agencies, correctional centres and universities.	SO	10/5/1999

b) Remuneration

Remuneration policy for the Office's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment for the key management personnel are specified in employment contracts. The contracts provide for other benefits including motor vehicles. In 2013-14 remuneration of key management personnel increased by 2.2% in accordance with government policy.

6. Key management personnel and remuneration (cont'd)

Remuneration packages for key management personnel comprise the following components:-

- short term employee expenses which include:
 - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.
 - non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- long term employee benefits include amounts expensed in respect of long service leave.
- post-employment benefits include amounts expensed in respect of employer superannuation obligations.
- termination benefits are specified within individual contracts of employment. Contracts of employment provide for notice periods, service and separation payments and a repayment clause. No reason needs to be given for a contract termination.
- performance bonuses are not paid under the contracts in place.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and postemployment benefits.

1 July 2013 – 30 June 2014

Position (date resigned if applicable)	Short Term Employee Expense		Long Term Employee Expense	Post Employment Expense	Termination Benefits	Total Expenses
	Monetary Expense \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Ombudsman	259	11	14	32	-	316
Deputy Ombudsman	192	11	7	20	-	230
Manager, Corporate Services Unit	111	-	4	15	-	130
Assistant Ombudsman Intake and Engagement Unit	116	-	4	16	-	136
Assistant Ombudsman Investigation and Resolution Unit	124	-	6	15	-	144
Assistant Ombudsman Investigation and Resolution Unit	94	-	4	15	-	113
Assistant Ombudsman Investigation and Resolution Unit	103	-	3	11	-	118
Total	999	22	42	124	-	1187

6. Key management personnel and remuneration (cont'd)

1 July 2012 – 30 June 2013

Position (date resigned if applicable)	Short Term Employee Expense		Long Term Employee Expense	Post Employment Expense	Termination Benefits	Total Expenses
	Monetary Expense \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Ombudsman	239	26	6	30	-	301
Deputy Ombudsman	206	12	8	20	-	246
Manager, Corporate Services Unit	115	-	3	15	-	133
Assistant Ombudsman Intake and Engagement Unit	134	-	4	16	-	154
Assistant Ombudsman Investigation and Resolution Unit	106	-	4	15	-	125
Assistant Ombudsman Investigation and Resolution Unit	100	-	3	15	-	118
Assistant Ombudsman Investigation and Resolution Unit	109	-	4	11	-	124
Total	1,009	38	32	122	-	1,201

7. Supplies and services

	2014 \$'000	2013 \$'000
Consultants and contractors	45	42
Computer support	177	231
Electricity	17	9
Legal expenses	12	8
Motor vehicle expenses	14	19
Office maintenance	68	50
Operating lease rentals	669	644
Payments to employment agencies	16	123
Printing	11	10
Stores and stationery	26	32
Telephones/communication	74	89
Travel	25	28
Training expenses	73	26
General supplies and services	129	126
Total	1,356	1,437

8. Depreciation and amortisation

Depreciation and amortisation were incurred in respect of:		
Office furniture and fit-out	174	177
Computer equipment	18	32
Office equipment	7	11
Total	199	220

No impairment losses were recorded during the year. No revaluation adjustments were necessary during the year.

9. Other expenses

	2014 \$'000	2013 \$'000
External audit fees*	13	22
Insurance premiums - QGIF	5	5
Sundry expenses	1	2
Appropriation refundable to Queensland Treasury and Trade	-	(30)
Total	19	(1)

* Total external audit fees paid to the Queensland Audit Office relating to the 2013-14 financial year are estimated to be \$19,800 (2013: \$21,500). There are no non-audit services included in this amount.

10. Cash and Cash Equivalents

Imprest accounts	1	1
Cash at bank and on-hand	670	536
Total	671	537

Departmental bank accounts grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

11. Receivables

Trade debtors	32	54
Less: allowance for impairment loss	-	-
	32	54
GST receivable	21	27
GST payable	(9)	(6)
	12	21
Annual leave reimbursements	92	117
Long service leave reimbursements	31	32
	123	149
Total	167	224

12. Other current assets

	2014 \$'000	2013 \$'000
Prepayments:		
Other	58	-
Total	58	-

13. Intangible assets

Software purchased		
At cost	471	471
Less : Accumulated amortisation	(471)	(471)
Total	-	-

Intangibles reconciliation

Software purchased		
Carrying amount at 1 July	-	-
Acquisitions	-	-
Amortisation	-	-
Carrying amount at 30 June	-	-

Amortisation of intangibles is included in the line item "Depreciation and Amortisation" in the Statement of Comprehensive Income.

The Office has a software program with an original cost of \$394,000, which has been fully amortised, but is still being used in the provision of services. The system was initially developed as a file and complaints management system. It was further updated in 2008-09 (\$54,000) and 2009-10 (\$23,000) and its continued viability is being assessed.

14. Plant and equipment

	2014 \$'000	2013 \$'000
At cost	2,034	1,914
Less : Accumulated depreciation	(1,088)	(889)
Total	946	1,025

Plant and equipment is valued at cost in accordance with Queensland Treasury and Trade's Non-Current Asset Policies for the Queensland Public Sector.

Plant and equipment reconciliation

Carrying amount at 1 July	1,025	1,238
Acquisitions	120	7
Depreciation	(199)	(220)
Carrying amount at 30 June	946	1,025

On 30 June 2014 the Office acquired computer and office equipment from the Health Quality and Complaints Commission with a written down value of \$120,294.

The Office has plant and equipment with an original cost of \$169,842 (2013: \$125,577) and a written down value of zero still being used in the provision of services. The majority of these assets will not be replaced, but approximately 12% of these assets with a gross replacement cost of \$20,856 may be replaced in 2014-15.

15. Payables

Trade creditors	112	98
Revenue received in advance	7	7
Total	119	105

16. Accrued employee benefits

Wages outstanding	152	1
Annual leave levy payable	149	158
Long service leave levy payable	29	29
Total	330	188

17. Other current and non-current liabilities

	2014 \$'000	2013 \$'000
Current		
Lease incentive	110	110
Total	110	110
Non-Current		
Lease incentive	439	549
Total	439	549

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

18. Reconciliation of operating surplus to net cash from operating activities

	2014 \$'000	2013 \$'000
Operating surplus/(deficit)	10	-
Depreciation and amortisation	199	220
Assets acquired at no cost	(120)	-
Changes in assets and liabilities:		
Increase in accrued employee benefits	142	28
(Decrease) in payables and other liabilities	(96)	(168)
Decrease in trade receivables	48	75
(Increase)/decrease in GST input tax credits receivables	6	(11)
Increase/(Decrease) in GST payable	3	(6)
(Increase)/decrease in prepayments	(58)	39
Net cash from/(used in) operating activities	134	177

19. Commitments for expenditure**(a) Finance lease liabilities**

There were no finance lease liabilities at 30 June 2014.

(b) Non-cancellable operating leases

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

	2014 \$'000	2013 \$'000
Not later than one year	895	857
Later than one year and not later than five years	554	1,448
Later than five years	-	-
Total	1,449	2,305

In 2009 the Office relocated to a new building at 53 Albert Street, Brisbane in terms of a co-location initiative with other complaint agencies. The rental agreement in respect of the Office's premises covered the period to 5 February 2016. The lease has a seven year term with a rent escalation clause of 4.5% p.a.

The value of the outstanding rent at 30 June 2014 amounted to \$1,444,246 of which \$892,170 is current and \$552,076 is non-current.

The Office no longer leases vehicles.

The franking machine is also leased. The value of the outstanding lease payments at 30 June 2014 amounted to \$4,296 of which \$1,432 is non-current.

No lease arrangements create restrictions on other financing transactions.

(c) Capital expenditure commitments

There were no capital expenditure commitments at 30 June 2014 (2013 nil).

20. Contingencies**(a) Litigation in progress**

No litigation involving the Office was in progress at 30 June 2014.

(b) Financial guarantees

The Office was not committed to any guarantees or undertakings at 30 June 2014.

21. Events occurring after balance date

There were no material occurrences after 30 June 2014.

22. Financial instruments**(a) Categorisation of financial instruments**

The Office has the following categories of financial assets and financial liabilities:

	Notes	2014 \$'000	2013 \$'000
Financial assets			
Cash and cash equivalents	10	671	537
Receivables	11	167	224
Total		838	761
Financial liabilities			
Payables	15	119	105
Total		119	105

(b) Financial risk management

The Office's activities expose it to financial risks - credit risk and liquidity risk. However due to the nature of the Office's activities, these risks are limited. Financial risk management is implemented pursuant to Government and Office policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effect on the financial performance of the Office.

(c) Credit risk exposure

Credit risk exposure refers to the situation where the Office may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

The following table represents the Office's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum exposure to credit risk

	Notes	2014 \$'000	2013 \$'000
Financial assets			
Cash and cash equivalents	10	671	537
Receivables	11	167	224
Total		838	761

22. Financial instruments (cont'd)

No collateral is held as security and no credit enhancements relate to financial assets held by the Office.

The Office manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Office invests in secure assets, and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the statement of financial position.

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the Office, according to the due date (normally terms of 30 days). Economic changes impacting the Office's debtors, and relevant industry data, also form part of the Office's documented risk analysis.

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If the Office determines that an amount owing by such a debtor does become uncollectible (after appropriate range of debt recovery actions), that amount is recognised as a bad debt expense and written-off directly against receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a bad debt expense and written off directly against receivables.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

Aging of past due but not impaired financial assets are disclosed in the following tables:

2014 Financial assets past due but not impaired

	Overdue				
	Less than 30 Days \$'000	30 - 60 Days \$'000	61 - 90 Days \$'000	More than 90 Days \$'000	Total \$'000
Financial assets					
Receivables	-	-	-	-	-
Total	-	-	-	-	-

2013 Financial assets past due but not impaired

	Overdue				
	Less than 30 Days \$'000	30 - 60 Days \$'000	61 - 90 Days \$'000	More than 90 Days \$'000	Total \$'000
Financial assets					
Receivables	215	5	-	4	224
Total	215	5	-	4	224

22. Financial instruments (cont'd)**2014 Individually impaired financial assets**

There were no impaired financial assets at 30 June 2014 (2013: nil).

(d) Liquidity risk

Liquidity risk refers to the situation where the Office may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Office is exposed to liquidity risk in respect of its payables.

The Office manages liquidity risk by ensuring it has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the Office. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date.

2014 Payable in:

	Note	< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	Total \$'000
Financial liabilities					
Payables	15	119	-	-	119
Total		119	-	-	119

2013 Payable in:

	Note	< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	Total \$'000
Financial liabilities					
Payables	15	105	-	-	105
Total		105	-	-	105

(e) Market risk

The Office does not trade in foreign currency and is not materially exposed to commodity price changes. The Office is not exposed to interest rate risk. The Office does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy.

(f) Interest rate sensitivity analysis

The Office does not earn interest on cash and cash equivalents and has no borrowings. Consequently it has no exposure to interest rate changes.

22. Financial instruments(cont'd)

(g) Fair value

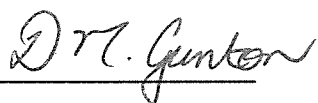
The Office of the Ombudsman does not recognise any financial assets or financial liabilities at fair value.

The fair value of cash, cash equivalents and the lease liability approximate their fair value and are not disclosed separately. The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

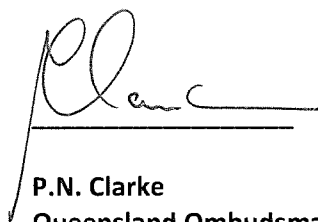
Management certificate of the Office of the Queensland Ombudsman

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Office of the Queensland Ombudsman for the financial year ended 30 June 2014 and of the financial position at the end of that year; and
- c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



D. M. Gunton
Manager
Corporate Services Unit



P.N. Clarke
Queensland Ombudsman



G. E. Rawlings CPA
Principal Officer, Finance & Facilities
Corporate Services Unit

12 August 2014

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Office of the Queensland Ombudsman

Report on the Financial Report

I have audited the accompanying financial report of the Office of the Queensland Ombudsman, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certificates given by the Queensland Ombudsman, the Manager, Corporate Services Unit and the Principal Officer, Finance and Facilities.

The Accountable Officer's Responsibility for the Financial Report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Accountable Officer's responsibility also includes such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The Accountable Officer's Responsibility for the Financial Report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Accountable Officer's responsibility also includes such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009*:

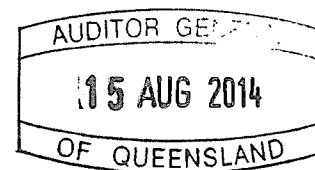
- (a) I have received all the information and explanations which I have required
- (b) in my opinion:
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Office of the Ombudsman for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



AM GREAVES FCA FCPA
Auditor-General of Queensland



Queensland Audit Office
Brisbane



QUEENSLAND
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