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Thirty Fifth Annual Report 2012/13

*Presented to the Chief Minister under section 152 of the Ombudsman Act
for tabling in the Legislative Assembly*



The Honourable Adam Giles MLA
Chief Minister
Parliament House
Darwin NT 0800

Dear Chief Minister

I am pleased to present to you the Annual Report for the Ombudsman for the Northern Territory for the financial year 1 July 2012 to 30 June 2013.

In respect of my duties as Accountable Officer, I advise that to the best of my knowledge and belief:

- a) proper records of all transactions affecting the Office were kept and employees under my control observed the provisions of the *Financial Management Act*, the *Financial Management Regulations* and *Treasurer's Directions*;
- b) procedures within the Office afforded proper internal control, and a current description of these procedures can be found in the Accounting and Property Manual which has been prepared in accordance with the *Financial Management Act*;
- c) no indication of fraud, malpractice, major breach of legislation or delegations, major error in or omission from the accounts and records existed;
- d) in accordance with section 15 of the *Financial Management Act* the internal audit capacity available to the Office is adequate and the results of internal audits were reported to me;
- e) the financial statements included in this Annual Report have been prepared from proper accounts and records and are in accordance with *Treasurer's Directions*; and
- f) all *Employment Instructions* issued by the Commissioner for Public Employment have been satisfied.

In addition, in relation to items (a) and (e) above, the Chief Executive of the Department of Corporate and Information Services has advised that to the best of her knowledge and belief, proper records are kept of transactions undertaken by that Department on behalf of this Office and the employees under her control observe the provisions of the *Financial Management Act*, the *Financial Management Regulations* and *Treasurer's Directions*.

Yours sincerely

A handwritten signature in blue ink, appearing to read "P Shoyer".

Peter Shoyer
Ombudsman
20 September 2013



Thirty Fifth Annual Report 2012/13

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INTRODUCTION

OMBUDSMAN'S OVERVIEW

A passion for public service

Public service must be more than doing a job efficiently and honestly. It must be a complete dedication to the people and the nation with full recognition that every human being is entitled to courtesy and consideration, [and] that constructive criticism is not only to be expected but sought ...

Margaret Chase Smith (US Senator)

The best way to find yourself is to lose yourself in the service of others.

Mahatma Gandhi

The reporting year marked the start of my term as Ombudsman following on from 25 years in various roles in public service.

Public service has many guises, be it in the political sphere, in government administration, in the non-government sector or through volunteering. Whatever the role, at its highest, it should be backed by a passion to provide the best service possible — a drive to improve ourselves and our institutions — a capacity to build on our strengths and correct our errors — a desire to go out of our way to make things better for the community as a whole and for the people we deal with.

Although the way we approach that challenge will vary for each of us, this should be equally true whatever the nature and level of the position we hold or the work we do.

I believe that there is no higher aspiration than to serve the public through the fair and effective administration of government and justice.

My vision as Ombudsman is to see a high and increasing level of public confidence in fair and accountable public administration in the Northern Territory. To see growing public acknowledgement of the passion and commitment that public servants bring to their careers.

To achieve this takes an ongoing high level of dedication and action from every public servant and public officer, from police officers on the beat, to prison officers, to health workers, to counter staff at registries, to clerical staff and corporate staff supporting the work of their agencies.

Human progress is neither automatic nor inevitable ... Every step toward the goal of justice requires sacrifice, suffering, and struggle; the tireless exertions and passionate concern of dedicated individuals.

Martin Luther King, Jr.

No public official should feel they cannot excel at what they do or that they have nothing to contribute to improvement in the level of service their agency provides to the community. Even the smallest contribution or improvement can mean a better outcome.

I am only one, but still, I am one. I cannot do everything but I can do something. And, because I cannot do everything, I will not refuse to do what I can.

Edward Everett Hale (American clergyman)

To further this vision, I have committed the Office of the Ombudsman to do everything in its power to work with complainants, public authorities and other stakeholders to resolve individual complaints and continually improve the level of service and conduct within the NT public sector.

This Office will do all it can to play its part. The ultimate challenge is for every public officer to display their passion for public service in the work they do every day.

*Unless someone like you cares a whole awful lot,
nothing is going to get better. It's not.*
Dr Seuss, The Lorax

The year in review

The 2012/13 reporting year was in many ways a transitional year — with the implementation of a new case management system for the Office from July, the departure of the former Ombudsman, Carolyn Richards in August, the election of a new Government and many consequent structural changes to public authorities, and my taking up a seven year appointment as Ombudsman in November.

Carolyn Richards was ably replaced for an interim period of three months by the Commissioner for Information and Public Interest Disclosures, Brenda Monaghan. Thanks to Brenda and to the staff of the Ombudsman NT for making my transition to the position a smooth and welcoming experience.

Approaches received during the year reduced slightly from a high of 2,520 in 2011/12 to 2,243 but this was still 11% higher than the eight-year historical average of 1,993. This higher workload continued to place significant demands on the resources of the Office, particularly given the gradual reduction in available resources that has taken place over a number of years.

This has required the Office to carefully prioritise its complaint handling activities and to redirect resources from other activities to complaint handling. The Office has been able to deal with this increased load, with only 48 approaches (2% of approaches received) remaining outstanding at 30 June 2013. I commend the efforts of my staff in continuing to deal with approaches in a timely manner. We are currently reviewing our complaint handling practices to maximise the efficiency of our approach.

My above commitment to working with stakeholders to improve public service means that resources of the Office will have to be allocated not just to dealing with individual complaints but to a variety of other initiatives. I have expanded on some of the types of quality improvement initiatives that I have in mind later in this Report. This will increase the need for efficiency and careful prioritisation in dealing with complaints and will continue to put pressure on available resources.

During the year, two reports on major investigations were tabled in Parliament. The first considered the development approval process for land in the Darwin rural area which was subject to inundation. The second dealt with the response of the NT Government's Building Advisory Services unit to complaints from residential building consumers. Both are discussed more fully in Chapter 5.

PETER SHOYER
OMBUDSMAN

Ombudsman NT - Vision, Mission, Core Values

The Ombudsman NT:

- is an independent office that deals with complaints about administrative actions of public authorities and conduct of police officers;
- has powers in relation to NT Police, Corrections, NT government departments and authorities and local governments;
- undertakes audit / investigation functions and makes reports under telecommunications interception and surveillance devices laws; and
- has a general function to promote improvements in administrative practices and procedures.

Our Vision (our ultimate aim)

A high level of public confidence in fair and accountable public administration in the Northern Territory.

Our Mission (how we contribute to our vision)

- Give people a timely, effective, efficient, independent, impartial and fair way of investigating and dealing with complaints about administrative actions of public authorities and conduct of police officers.
- Work with public authorities and other stakeholders to improve the quality of decision-making and administrative practices in public authorities.

Core Values (guide what we do and how we do it)

- **Fairness**
We are independent and impartial. We respond to complaints without bias. We give everyone the chance to have their say. We do not take sides.
- **Integrity**
We take action and make decisions based on our independent assessment of the facts, the law and the public interest.
- **Respect**
We act with courtesy and respect. We recognise and respect diversity. We seek to make our services accessible and relevant to everyone. We consider the impact of our actions on others.
- **Professionalism**
We perform our work with a high degree of expertise and diligence.
- **Accountability**
We are open about how and why we do things. We are responsive and deal with matters in a timely manner. We allocate priorities and undertake our work so that the best use is made of public resources.

KEY DELIVERABLES SNAPSHOT

Key Deliverables for the Office were reconsidered and revised during the year.

| Key Deliverables | 2012/13 |
|--|--------------|
| <p>Total approaches received Includes all enquiries and complaints, including matters referred on to another body or found to be outside jurisdiction.</p> <p>The average for the eight years from 2003/04 to 2010/11 was 1,993 approaches. This rose substantially in 2011/12 to 2,520. The figure decreased in 2012/13 but was still well above the historical average.</p> | 2,243 |
| <p>Total approaches finalised Includes approaches carried over from previous years.</p> <p>Approaches finalised slightly exceeded approaches received, leaving 48 approaches open at 30 June 2013.</p> | 2,266 |
| <p>Police approaches finalised within 90 days Police complaints are generally dealt with by Police Standards Command under oversight of the Ombudsman.</p> <p>The timeframe for this deliverable has been reduced from 180 to 90 days, so figures for previous years are not comparable.</p> | 88% |
| <p>Other approaches finalised within 28 days Refers to all non-Police approaches, including local government.</p> <p>The timeframe for this deliverable has been reduced from 90 to 28 days, so figures for previous years are not comparable.</p> | 92% |
| <p>Recommendations accepted In some cases, Government may partially accept a recommendation or accept the principle behind a recommendation but decide to implement it in a modified form. In those cases, a proportional figure is allocated.</p> | 85% |
| <p>Statutory audit/inspection and reporting requirements met The Ombudsman is required to undertake audit or investigation functions and make reports under telecommunications interception and surveillance devices legislation within certain timeframes.</p> | 100% |

CHAPTER 1 – HOW WE PRIORITISE AND DEAL WITH ISSUES

The Office of the Ombudsman identifies issues or potential issues of concern by a range of methods including analysis of complaints received, monitoring parliamentary debates, media reports and developments in other jurisdictions, and community and stakeholder engagement.

PRIORITY AND RESOURCE ALLOCATION

The Office must act within the resources available to it and accordingly must make decisions on the priority given and resources allocated to its various statutory functions, including investigation of particular complaints.

The overall guide to allocation of resources and priority within the Office is what best serves the public interest, bearing in mind the objects and provisions of the *Ombudsman Act*. Factors used to assess the significance of issues and the priority that should be afforded to issues, include:

Potential harm involved

- Death of a person
- Physical harm to a person
- Loss of liberty
- Financial or asset damage or loss
- Mental stress or harm
- Harm to animals or the environment
- Denial of human or statutory rights, unfair treatment
- Damage to reputation
- Unreasonable delay or disruption

Other factors

- Extent of potential harm – how much harm
- Number of people impacted or likely to be impacted
- Potential for ongoing future impact – is this a one-off issue or will it continue in the future
- Number of similar complaints
- Urgency
 - Statutory time limit for action
 - Potential for harm is imminent
- Serious / systemic issues
- Existence of prior investigations on similar issues – has the issue already been dealt with
- Availability of other suitable avenues for review, investigations already in progress
- The extent of prior interaction by the complainant with agency – has the agency had a reasonable opportunity to deal with the issue
- Steps already taken by the agency to redress the issues.

Any decision on resource allocation and priority is ultimately one for the Ombudsman acting on the information provided by complainants and agencies and the advice of Ombudsman staff.

HOW WE DEAL WITH ISSUES

The Office deals with issues in a variety of ways, including:

- **Quality improvement** – Working with agencies and stakeholders in a co-operative manner outside the formal investigation process (Chapters 2 to 4).
- **Major investigations** – Complex investigations involving a major commitment of resources, usually involving systemic issues. These may be initiated by a complaint or on the Ombudsman’s own motion. They are usually finalised by a report to the Chief Minister which is tabled in Parliament (Chapter 5).
- **Approaches – enquiries and complaints** – Many issues are addressed relatively quickly and simply in the course of dealing with enquiries and complaints (Chapter 6).
- **Stakeholder and community engagement** – Other issues can be raised, clarified and resolved in the course of or as a result of stakeholder meetings, presentations and public discussions or through provision of information and links to information, for example, on the Ombudsman NT website (Chapter 7).

CHAPTER 2 – QUALITY IMPROVEMENT

The *Ombudsman Act* has two objects. The first object relates specifically to investigating and dealing with complaints.

The second, and equally important object, is to “improve the quality of decision-making and administrative practices in public authorities”.

While information gained in the course of dealing with complaints may inform the office in its pursuit of the second object, that object is considerably broader than the formal investigation of complaints.

The Office seeks to work with public authorities and other stakeholders through a range of mechanisms aimed at improving administrative practices across government. These include:

- regular contact and joint initiatives with complaints and review bodies;
- regular contact and joint initiatives with public authorities;
- involvement in legislative and policy reform;
- provision of training;
- encouraging and facilitating internal agency initiatives (see Chapter 4).

COMPLAINTS AND REVIEW BODIES

The Ombudsman co-operates in a number of ways with other complaints and review bodies. In 2012/13 this included:

- one on one meetings with various independent officers including the Commissioner for Public Employment, Auditor-General, Commissioner for Public Interest Disclosures, Children’s Commissioner, Commissioner of Consumer Affairs and the Health and Community Services Complaints Commissioner;
- attendance at regular meetings of an independent officers group comprising a number of those officers;
- continued operation of a Memorandum of Understanding (MoU) with the Commonwealth Ombudsman and a MoU with the Commissioner for Public Interest Disclosures (see Appendix A).
- commencing preparation of a MoU with the Children’s Commissioner;
- meeting with the Commonwealth Ombudsman;
- continuing a resource sharing arrangement with the Commonwealth Ombudsman;
- travel to two remote communities with Commonwealth Ombudsman staff which provided an opportunity to inform Indigenous people about the roles of each Ombudsman and encourage Indigenous people to contact our Office if they have problems with the administrative decisions and actions of government;
- discussion of individual matters and formal referral to other bodies where appropriate;
- involvement in the Ombudsman Investigators Forum, chaired by the NSW Ombudsman, where investigators from each Ombudsman Office (Australia and New Zealand) can strategize (primarily electronically) and discuss issues of common interest;

- maintaining membership of the Australian and New Zealand Ombudsman's Association (ANZOA) and the International Ombudsman Institute, allowing access to their forums and reference resources, for example, the Systemic Issues Investigations Interest Group of ANZOA; and
- maintaining contact with various Ombudsmen throughout Australia as the need or opportunity arose.

PUBLIC AUTHORITIES

Maintaining contact with public authorities is an essential element of the work of the Office. In 2012/13, this included:

- over 20 meetings with public authority chief executives or executive groups;
- regular meetings with Police senior executives and members of the Police Standards Command;
- a number of specific initiatives undertaken with individual agencies (see Chapter 3).

LEGISLATIVE AND POLICY REFORM

One of the roles of the Ombudsman is to take part in meetings of the Northern Territory Law Reform Committee. The Law Reform Committee advises on issues referred by the Attorney-General relating to reform of the law in the Northern Territory.

The Ombudsman is also asked to make submissions or provide input from time to time on policy and legislative reform relating to aspects of public administration. Input was provided in relation to a number of issues during the year.

The Ombudsman values the opportunity to comment on such matters in the development phase.

TRAINING

The Office regularly provides training for Prison Officer in Training recruits. One-off presentations are also provided from time to time for internal government training, for example, for the Machinery of Government course.

In previous years, the Office has provided formal training to a wide range of investigators across Government by means of a nationally accredited Certificate IV *Government (Investigations)* course. This is a 2 week intensive course delivered by senior staff of the Office.

The most recent course was offered in June 2012. Notwithstanding ongoing demand for that course, no course was offered during 2012/13 due to resource constraints and limited availability of key staff.

The course requires suitably skilled and formally trained staff at senior level within the Office. It also requires considerable effort to maintain national accreditation through a registered training organisation. The potential and practicality of this Office offering the course in the future will be reconsidered in 2013/14.

CHAPTER 3 – SIGNIFICANT QUALITY IMPROVEMENT ISSUES

During 2012/13, the Office identified a number of significant issues or potential issues of concern. Some of those issues related to particular agencies while others had broader implications across a number of agencies.

This Chapter discusses the following significant issues or potential issues that were addressed by undertaking broader quality improvement measures in addition to dealing with individual complaints:

- Public housing – Remote public housing
- Electricity and water supply
- Corrections custodial complaints
- Basic communication issues
 - Delay / Failure to update
 - Failure to fully explain / template responses
 - Undocumented / Inaccessible internal complaints processes.

PUBLIC HOUSING – REMOTE PUBLIC HOUSING

The great majority of enquiries and complaints about public housing are handled by the Department of Housing which has a well-developed complaint handling and appeal process. Even so, 102 approaches were made to this Office in 2012/13.

Issues complained of in 2012/13 included arrangements for debt repayments, priority given to housing applications, maintenance issues, the conduct of public housing officers, repossession of accommodation when it has been abandoned or a tenant has passed away, how the Department deals with disputes between tenants and the behaviour of other tenants.

One area where there was growth in the number of complaints is remote public housing. Over recent years, the Commonwealth and Northern Territory governments have worked together to refurbish many existing houses and deliver a large number of new houses in indigenous communities. Current arrangements are set out in the National Partnership Agreement on Remote Indigenous Housing (NPARIH). This has in turn led to additional responsibilities for the Department of Housing relating to the management and maintenance of housing stock in communities.

In June 2012, the Commonwealth Ombudsman released an investigation report into remote housing reforms in the NT. The report identified a range of service delivery issues and provided recommendations to address them. The Commonwealth Ombudsman dealt with complaints about remote housing problems in the NT because a Commonwealth Department was at that time responsible for statutory five-year leases over indigenous communities. The leases essentially placed the Commonwealth in the role of landlord for housing in those communities. In August 2012, the leases expired and direct responsibility has been taken over by the Northern Territory Government under a variety of long term leasing arrangements.

The building/refurbishment program is itself a major ongoing undertaking which has raised many challenges but the ongoing management and maintenance responsibilities in respect of so many houses in so many different remote communities are equally problematic. The implementation phase of systems to address these responsibilities has given rise to complaints to this Office.

Refunding past payments

A significant number of complaints related to attempts to recover past payments. To provide some context, there are three recognised categories of housing in remote communities:

- New, rebuilt or refurbished houses—these houses have been newly constructed or substantially refurbished under the NPARIH.
- Legacy dwellings—these are existing houses that are considered habitable but have not been refurbished.
- Improvised dwellings—makeshift accommodation considered to be unsafe or uninhabitable. They are not part of the public housing stock.

There are different rent requirements for each category. There is no rent payable for Improvised dwellings and Department of Housing policies state that any payments received for such dwellings will be refunded from 1 July 2009 onwards.

Our office received complaints about non-refund of past payments for rental or ‘services’ provided to occupiers of Improvised dwellings. A number of these cases were identified and pursued through the outreach work of NT Legal Aid and the North Australian Aboriginal Justice Agency.

Where the Department of Housing was able to confirm that payments had been received refunds were being given. However, difficulties often arose if payments were initially received by a third party, for example, by a shire council or an association, and that money was either not forwarded on to the Department or was not forwarded on in an easily identifiable manner.

The Department has put considerable effort into implementing systems that ensure that this will not happen in the future with the implementation of its Tenancy Management System. It has also put a major effort into identifying past payments and arranging for refunds. However, further instances are being identified from time to time and there is a continuing need to address the issue.

Ongoing management and maintenance

In addition, there have been complaints about ongoing maintenance and management issues. A significant portion of these complaints relate to communication issues. Tenants have complained that they did not know how much rent and bond they should be paying, whether other tenants should also be contributing to rent, or the respective amounts each tenant should be, or were, paying. Tenants also indicated they were not aware of timeframes associated with anticipated refurbishments of their houses or the transitional housing arrangements in their community while these refurbishment works were undertaken.

Solutions

There is no doubt that the Department faces considerable challenges given the substantial geographical and logistical considerations in delivering services to Indigenous people in remote localities. It is crucial that it communicates effectively with Indigenous people in remote communities about matters affecting them and about what is expected of them as tenants, with a view to fostering and supporting more effective care and management of public housing stock.

During the year regular discussions were held with senior staff at the Department of Housing to exchange information about the issues highlighted in the Commonwealth Ombudsman’s report and the progress made against the recommendations outlined in that report. Those discussions also assisted in resolving particularly complex complaints.

My Office also attended regular meetings between representatives from Remote Housing and legal advocacy organisations which were held to exchange information about the impact of policies at the grass roots level. Through those discussions processes were refined to improve the delivery of services provided to Territorians in remote communities. Those meetings also allowed an opportunity to provide feedback from the communities visited, pursue responses to complaints and discuss emerging issues which may become systemic.

ELECTRICITY AND WATER SUPPLY

Power and Water Corporation (Power and Water) faced a challenging year with the introduction of sharp increases in tariffs and complications involved in provision of refunds following an NT Government decision to reduce the level of increase.

Ultimately, the 79 approaches to our Office in 2012/13 was a slight reduction on the 86 approaches made in 2011/12. Approaches related to a wide variety of issues including accuracy of meter readings/estimates, liability for damaged or faulty water/electricity infrastructure, arrangements for staged repayments, notice of power outages and referral to credit reference agencies.

Credit listings

One issue that does recur on a regular basis relates to credit listings. A number of those complaints are made by credit repair agencies. Those agencies usually contact Power and Water seeking removal of credit listings, and if unsuccessful will complain to the Ombudsman. Whilst the NT Ombudsman provides an avenue for complaints to be made, this Office cannot remove a credit listing.

The Australian Security and Investment Commission's *Money Smart* website provides detailed information on credit listings. One of its key messages is: *"In most cases, default listings and other historical information cannot be removed from your credit report unless it is proven to be wrong."* In these instances, Power and Water can make application for the removal of a credit listing, but only when it is found to have been made in error.

Solutions

In anticipation of potential issues arising from increased charges, my Office approached Power and Water prior to the initial increases to discuss the potential rise in enquiries and complaints. It was clear from the outset that Power and Water was aware of potential issues and working hard to ensure that its customer service and enquiries area was well prepared.

The approach of Power and Water to resolution of issues raised throughout the year has been very positive. During the year, my staff and I met with Power and Water officers regularly. We worked together to explore improvements to Power and Water processes generally and particularly to improve customer complaint handling processes.

Suggestions for improvement included

- increased use of simple fact sheets to explain commonly recurring issues;
- greater use of technology to take and record readings, particularly in cases where meters are hard to get at; and
- introducing some flexibility into charging a test fee in cases where there has been an extraordinary divergence in meter readings within a short period.

With regard to credit management and credit listings, suggestions included:

- adding a prominent link to the *MoneySmart* site on the Power and Water website;
- amending the Power and Water customer contract to document how a credit listing is made and when a listing may be removed;
- when sending new customers their first invoice, providing a link to the Power and Water website, specifically to the areas relating to the Customer Contract, Charter and Credit Listings; and
- prior to credit listing a customer, sending an SMS to their mobile (or an email) warning of pending default action.

Our Office will continue to meet with Power and Water on a regular basis, to follow up on issues identified to date and address emerging issues.

CORRECTIONS CUSTODIAL COMPLAINTS

Almost all approaches to the Office about the Department of Correctional Services (Corrections) are made by prisoners. Prisoner complaints are initially addressed by prison staff. This process requires a prisoner to fill in a *Request to Attend a Superintendent's Parade* (RASP) with the prisoner setting out the issue(s) of complaint. The Superintendent or delegate meets with the prisoner to address concerns. If the prisoner remains dissatisfied with the outcome, a complaint may then be made to the Ombudsman. If a prisoner makes a complaint without following that internal process, this Office refers them back to that internal process unless there are exceptional circumstances.

During the reporting period, 274 approaches were made to the Office in relation to Corrections, a significant increase from 229 approaches in 2011/12. The increase was largely attributable to a peak period in October, November and January, with numbers reducing again in the latter part of the financial year.

Prisoners complain about a wide variety of issues. In 2012/13 these included decisions to reclassify a prisoner or move a prisoner within a correctional centre, taking adverse action without a proper hearing, failure to allow adequate access for prisoner visits or external phone calls, the quality of food, failure to cater for special dietary needs, and delays in delivering prisoner mail.

Solutions

Given the increase in approaches, my staff undertook a review of case files held in relation to complaints lodged against Corrections since 1 July 2012. The review identified a number of systemic issues which indicated that administrative practices and procedures of Corrections may have either been inadequate or simply required further review and updating. Following the review, I considered a number of approaches which could, in my view, lead to a better understanding of, and an overall reduction in, complaints/issues raised against Corrections.

Rather than undertake an 'Own Motion' investigation, I decided a better option would be for Corrections to take carriage of the matter and to undertake its own internal review and assessment into the way complaints are received, recorded and dealt with in the first instance. In my view, that process could lead to a more user-friendly and comprehensive Complaint Handling system being developed by Corrections which would ultimately result in a reduction of complaints lodged.

Accordingly, I met with and detailed my initial views with the Chief Executive and senior staff members of Corrections to discuss options aimed at improving their systems and reducing the numbers of complaints lodged with my Office. The Chief Executive and his staff acknowledged a variety of issues and factors influenced the above average number of complaints raised and agreed to work with my Office and undertake a joint review of the Complaints Handling process currently in place.

A number of meetings between staff of my Office and Corrections have ensued to further this process and a number of process improvements have already been agreed to. For example, plain language posters have been put up in correctional centres explaining how the complaint process works and RASPs will be numbered in future to reduce the potential for arguments about whether a RASP has been lodged by a prisoner. I have visited the correctional centres in Darwin and Alice Springs to meet with a range of prison staff as part of this initiative.

That Quality Improvement process is ongoing and I am satisfied with steps taken by Corrections in recognising and improving upon a number of areas. I look forward to continuing to work with Corrections to improve its practices and procedures.

BASIC COMMUNICATION ISSUES

It is fundamental to any interaction with government or business that a person should be given the information they need to know, kept up to date about progress and told what they can do if they need to know or do more.

Even though many public authorities have invested time and effort in improving service levels, these basic communication issues remain a major source of complaints to my Office.

Failure to fully explain / template responses

When dealing with large volumes of clients or enquiries, there is a tendency to standardise and to produce template documents and responses. This tendency grows as the workplace relies more and more on electronic systems.

Producing templates and standardised documents can be very beneficial for both staff of public authorities and individuals who have to interpret them in everyday situations.

However, particularly when an unusual situation arises or a person finds themselves outside the ordinary, it is important for public servants who have to deal with such situations to appreciate that templates should be used as a guide only and that explanations must be tailored to the requirements of the particular case.

A response that simply states 'we have considered what you say but we don't agree' is unlikely to lead to a satisfied stakeholder.

Often 'one size does not fit all' and a short amount of time spent amending or fine tuning a template can result in far better understanding on the part of the individual member of the public involved and acceptance, even if grudging acceptance, of the position taken or decision made. Not only can this help the person better appreciate the reason for action or inaction by the particular public authority, it is also likely to save considerable time spent later in responding to a complaint.

Finding the balance between providing a standard response and answering the questions a person is interested in can be challenging but is an important aspect of good service.

The importance of giving reasons for decision and tips on how to provide reasons for decision are discussed in *Giving Reasons for Decision*, available on our website at: <http://www.ombudsman.nt.gov.au/publications-reports/brochures/>.

Delay / failure to update

Delay is a very common reason for complaint. Often the underlying basis for complaint is 'unexplained delay'.

Frequently, there are good reasons why a particular action may take longer than a member of the public might think reasonable.

It is therefore important that likely timeframes for action and reasons for any significant departure from those timeframes are communicated to everyone concerned.

Up front information in this regard helps establish reasonable expectations on the part of the client, enquirer or complainant. Regular updating (even if there has been no progress) keeps the person aware of the situation.

It is not uncommon for an officer, in a case where there has been delay, to say that they did not see the point of updating someone when nothing further had happened. However, in the absence of a regular update (even if it is to say 'we haven't forgotten you') there is no way for an individual member of the public to know that their enquiry or complaint has not simply been ignored. This can only lead to increasing levels of frustration and often distress.

Undocumented / inaccessible internal complaints processes

It is very important for a member of the public who wants something clarified or challenged to have easy access to information about who to go to in order to enquire or complain.

Inquiries with public authorities during the year and a review of public authority websites by my Office, suggest that a significant number of authorities have little or no easily accessible information about how an enquiry or complaint can be made about the agency, and/or how a complaint will be dealt with once it has been made. In some cases, there may have been information available but it was not easily locatable.

Solutions

The Australian Standard (ISO 10002:2006): *Customer Satisfaction – Guidelines for Complaints Handling in Organisations* highlights the benefits of having a robust complaints process. Customer complaints offer opportunities to improve agency services, enhance customer satisfaction, identify systemic trends and minimise or eliminate causes for complaint. A strong commitment is paramount. Processes should be transparent, effective and easily accessible with adequate resources available to address concerns as they are raised.

The Australian Standard (5.2) notes that management should establish an explicit customer-focused complaints-handling policy. For this policy to be successful it needs to be made known to customers and have adequately trained personnel available to address complaints. The Australian Standard also documents what factors should be taken into account when developing complaints policies.

It is important that public authorities take steps to ensure that they are addressing basic communication issues, including:

- setting simple benchmarks for response to client contact and complaints such as acknowledging receipt of correspondence, estimated timeframes for action, frequency of updates, and communicating outcomes;
- emphasising that good client service requires attention to individual needs and circumstances, and that existing systems and templates provide a starting point for effective communication, not an end point;
- considering the application of the Australian Standard on complaints handling to the organisation; and
- ensuring that enquiry / complaint options are clearly explained and easily accessible.

This Office will continue to work with public authorities to improve systems in this regard by:

- provision of up-to-date information on developments in complaint handling;
- development of a public authority forum to encourage discussion of these issues within public authorities; and
- posting information about public authority enquiry and complaint links on the Ombudsman website.

CHAPTER 4 – AGENCY INITIATIVES

Public authorities regularly review and seek to improve their processes, sometimes following involvement of the Ombudsman or another accountability office but more frequently as a matter of good practice. In order to record quality improvement initiatives in this report, public authorities were invited to highlight service and process improvements they have undertaken during 2012/13.

A selection of their responses is set out below. The information and comment is as supplied by public authorities with some editing to maintain consistency with the style of the report.

QUOTATIONS AND TENDERS ONLINE SYSTEM UPGRADE AND MOBILE APP

(Department of Corporate and Information Services)

The implementation of the Quotations and Tenders Online system has encouraged businesses to tender online. Businesses are able to view, download, prepare and lodge their quotations/tenders in one system online. The service improvements are in line with government's commitment to increase online service delivery; making it easier for businesses to deal with government, with over 80% of tenders now being lodged electronically. The use of manual tender boxes has also been discontinued.

To complement these improvements a smart phone application (app) was developed and released, allowing businesses to view current, closed and awarded quotations, future tender opportunities and their business profiles. The NT is the first jurisdiction in Australia to implement an app for government procurement.

ELECTRONIC DEVELOPMENT APPLICATION LODGEMENT SYSTEM – STAGE TWO

(Department of Lands, Planning and the Environment)

The processing of development applications in the NT has accelerated following completion of the second stage of an electronic lodgement process. The web-based system began as Development Applications Online in 2010 which improved access to submission procedures for large and small scale projects. Eventually, electronic lodgement and processing of development applications will be paperless.

The second stage of the system targeted the lodgement and processing of applications for subdivisions and also slashed red tape in obtaining land titles. It resulted in development applications no longer needing to be submitted over-the-counter and meant that applications may be approved on the day they are tendered.

Using the online Development Application system, major developers and the public can:

- Lodge applications.
- Pay application fees.
- Submit documents supporting the application (including survey plans and clearances from authorities such as councils, Power Water and Telstra).
- Track the processing of their application.

At the time of implementation of the second stage, the NT was the only state or territory that accepted all development applications using the Internet.

In 2012 the NT achieved the highest score of all states and territories on the Property Council of Australia's National Development Assessment Report Card. The report recognised the simplicity and ability to move applications through the assessment process.

The amendments that have been implemented to internal procedures and the overall process have improved the process with the timeframe for the assessment of developments now approximately 52 days which is considerably lower than the statutory requirement of 84 days.

PROCUREMENT POLICIES AND PROCEDURES REVIEW

(Department of Infrastructure)

Following an investigation into a complaint by a contractor, the Commissioner for Public Interest Disclosures handed down a report with findings and recommendations that related mainly to lower level procurement services (under \$50,000). One of the Commissioner's key recommendations was that the Department's Audit and Risk Management Committee (ARMC):

- analyse policies and procedures to lower value procurement (Tiers 1-4);
- prepare a report identifying weaknesses in the current procurement system; and
- provide recommendations on how to address those weaknesses.

The ARMC reviewed the Department's procurement policies and procedures in May 2012 and determined that opportunity existed to improve all stages of the procurement process and reduce the risk of challenges to procurement decisions. Nine recommendations were made to support improvement and have since been implemented.

NEW CONSUMER AFFAIRS WEBSITE AND FACEBOOK PAGE

(Department of the Attorney-General and Justice)

In early August 2012, NT Consumer Affairs launched a new website and new independent branding. The website is simple to navigate and provides up to date information on all aspects of NT Consumer Affairs business. Since the new website was launched there has been a 50% increase in use since last year, bringing the total visits to nearly 30,000. At the same time, NT Consumer Affairs launched its own Facebook page. Social media has proven very popular with some posts receiving over 600 views. Between August 2012 and June 2013, there were 115 posts with information that alerted people to scams, provided tenancy information and other news. These posts attracted 13,870 views and have been instrumental in providing NT consumers with a range of information, alerts and advice that will benefit them in their daily business.

POLICING BETWEEN CULTURES

(NT Police, Fire and Emergency Services)

In 2011, the then Chief Minister directed that the Office of the Commissioner for Public Employment (OCPE) improve cross-cultural training across the NT Public Service (NTPS). As a result NTPFES developed a learning model known as *Policing Between Cultures*, assessed by OCPE as being superior to any other training which has subsequently been delivered in the NTPS.

Briefly, *Policing Between Cultures* involves seven days of cross-cultural training which includes Aboriginal Culture, Multicultural Awareness, Community Partnerships and Engagement, and Aboriginal Interpreter Service modules. The program, which is specifically contextualised for police, also puts emphasis on internal and external customer service, community satisfaction and crime reduction.

In addition, a *Policing Between Cultures* refresher is delivered during all promotional, investigative and command training courses.

ABORIGINAL INTERPRETER SERVICE ACHIEVEMENTS – LAW AND JUSTICE

(Department of Regional Development and Women's Policy)

The Aboriginal Interpreter Service (AIS) has made a number of advances, in conjunction with key stakeholders throughout the law and justice sectors, in the manner in which interpreters are used to support improved access to justice for Aboriginal Territorians.

The Commonwealth Ombudsman found in the 2011 investigation into Indigenous language interpreters and government communication, resulting in the "Talking in Language" report, that more could be done to improve the use of Aboriginal interpreters. The Commonwealth Attorney-General's Department provided the AIS with grant funds to assist the implementation of improvements to the legal interpreting arrangements, including to provide additional training and development of interpreters and users.

During the two years since the funding was provided by the Attorney-General's Department there have been a range of advances in the field of law and justice interpreting that have resulted in better outcomes for interpreters and service providers.

Bush Court interpreting – Previously, any service provider, whether it be a lawyer, a policeman or a corrections officer, would be required to book an interpreter to be available to assist with their business during the bush court in the community. Following extensive consultations with all stakeholders involved in the bush courts, the AIS now supplies 2 to 4 interpreters for every day of a bush court sitting (with the number of interpreters dependant on the size of the list and the language needs of the community). The interpreters are booked by the court, and responsible to the court. The interpreters are then made available to work with any court user on the day of bush court. As much as possible, the interpreters will 'follow' a client through the proceedings on the day. For example, for a defendant, the same interpreter will interpret taking instructions with a lawyer, interpret in court, interpret for any corrections assessments and then interpret when any orders are signed.

This has led to an increase in the availability of interpreters, more efficient and effective interpreting processes and better access to interpreters across all users.

Supreme Court Interpreter Protocols – On Monday 27 May 2013 the Chief Justice of the Northern Territory Supreme Court, Mr Trevor Riley, formally announced the commencement of Supreme Court protocols for interpreters. The protocols clearly set out how interpreters should be involved in complex court proceedings, and what the minimum standards are for lawyers and judges working with interpreters. The protocols have been developed over many months with close collaboration between the Supreme Court, the legal profession and the AIS and Interpreting and Translating Service NT, and are the most comprehensive set of court interpreting protocols in Australia. These protocols greatly lift the status of interpreting in the eyes of the courts and the legal profession.

Police Cautions – one of the matters that the Commonwealth Ombudsman particularly raised was the issue of the Police Caution. It was recommended that this Police Caution be recorded into the most common Aboriginal languages to enable Police to play the caution in the appropriate language to reduce the risk of misunderstandings when people were to be questioned by the Police. The police caution has now been recorded into 22 languages and will shortly be rolled out to all police stations in the NT.

INTERPRETIVE SIGNAGE IN CORRECTIONAL CENTRES

(Department of Correctional Services)

The Department has had the opportunity to work closely with the Ombudsman's Office during 2012/13 to develop targeted initiatives that foster effective customer service and complaint handling processes for people within the NT correctional system.

A particular achievement for the Department was the establishment of interpretive signage which is displayed prominently within correctional centres. The signage serves an educative purpose in providing information on appropriate complaint procedures to prisoners. This initiative was implemented after consultation with the Ombudsman's office and is intended to facilitate more effective complaint management processes by promoting an understanding among the correctional centre population of matters that constitute a valid complaint to the Ombudsman.

ARTS GRANTS

(Department of Arts and Museums, Arts NT)

The Arts NT Peer Register provides peers for Arts Grants Program Assessment Panels which make decisions or recommendations on arts grants funding. Partnership with arts sector leaders, eg the Darwin Theatre Network to inform strategic planning and support arts sector development.

'On line' grant applications have been introduced for clients seeking grants funding through the Grants Management System – Grants Tracker.

The Arts NT Arts Brokerage system deals with all client enquiries and complaint handling. The Senior Arts Broker is based in Darwin with Regional Arts Brokers in Darwin and Alice Springs.

NATIONAL RAIL SAFETY REGULATOR

(Department of Transport)

The Northern Territory was one of the first states and territories to pass legislation to establish the National Rail Safety Regulator. From 20 January 2013, the National Regulator took on the rail safety regulatory functions in the Northern Territory.

The implementation of the National Regulator has reduced the regulatory burden on NT rail operators and allowed them to move seamlessly between South Australia and the NT. The Department of Transport will continue to provide rail safety policy advice to the Minister for Transport.

CHAPTER 5 – MAJOR INVESTIGATIONS

The identification of issues may give rise to a major investigation by the Ombudsman's office. This involves a substantial commitment of resources by the Office and will usually result in the preparation of a report to the Chief Minister that is tabled in Parliament.

A major investigation may be initiated based on one or more complaints or on the Ombudsman's own motion.

There were two major investigations finalised in 2012/13 with reports tabled in the Legislative Assembly:

- Report into Department of Lands, Planning and the Environment, Building Advisory Services.
- Report into an Investigation into the approval for development and subdivision of land for residential purposes at Beddington Road and Pelly Road Herbert.

Those reports are available at <http://www.ombudsman.nt.gov.au/publications-reports/public-reports/>.

Summaries of the reports and a further report that was tabled in March 2012, and an update on the acceptance and implementation of recommendations contained in the reports are set out below.

BUILDING ADVISORY SERVICES (MARCH 2013)

The report related to the investigation of two complaints about the Building Advisory Services (BAS) area of the Department of Lands, Planning and the Environment (DLPE). In one case, the complainants paid a substantial upfront sum for the purchase and construction of a kit home. No home was constructed and no money returned. The person who they dealt with had left the country and the builder who they thought had been engaged to build their home denied any involvement or liability. In the other case, the complainants were left with a partly finished house having contracted with a company that was not a registered building practitioner. In both cases, the complainants experienced frustration and delay in their dealings with the 'builder' and further delay or inaction after they approached BAS.

The report highlighted potential improvements in BAS practices and procedures and in the legislation regulating building work and building practitioners, particularly with regard to unregistered building and the regulation of company conduct.

Acceptance and implementation of Ombudsman recommendations

The recommendations are set out below in bold. An update on the NT Government's response to the recommendations was provided by DLPE on 17 July 2013.

- 1. Building Advisory Services should review and clearly document its policies and procedures for complaint handling, investigation, prosecutions and referral to the Building Practitioners Board, including provision for:**
 - a. prompt investigation and action in relation to building by an unregistered person or company;**
 - b. prompt action when a registered building practitioner fails to provide documents or information requested by BAS;**
 - c. a clear statement of the factors to be taken into account when deciding when to prosecute for building by an unregistered person or company;**

- d. **emphasis on the importance of regulating company conduct;**
- e. **indicative timeframes for dealing with complaints;**
- f. **regular updating of complainants;**
- g. **timely and effective information exchange with Police and other law enforcement bodies; and**
- h. **a clear statement of the factors to be taken into account when deciding whether there is evidence that a building practitioner is guilty of professional misconduct that must be referred to the Board.**

DLPE response

- a) BAS has over the last twelve months refined its internal processes for complaint handling and has put in place measures to ensure complaints are investigated promptly. The Complaints section of the BAS webpage was updated in 2013 to include further information for complainants including a downloadable complaints form that can be submitted electronically.
 - b) In June 2013 the Director of Building Control successfully prosecuted a building practitioner in the local court for failing to comply with a request to produce documents. This action provides a strong message to industry that registered building practitioners will be required to comply with requests from BAS.
 - c) BAS is working with the Prosecutions Unit of the Solicitor for the Northern Territory to establish procedures and protocols for referring matters for prosecution.
 - d) Complaints relating to building practitioners are prioritised for action and auditing of practitioners is continuing to focus on correct registration of companies including cross checking of related entities.
 - e) The Charter of Principles for Complaint Handling was updated to include a commitment that complainants would be allocated a dedicated investigative officer who will provide estimated time for completion at the outset.
 - f) Processes have been put in place to provide appropriate updates during the course of the investigation.
 - g) BAS is working closely with the Prosecutions Unit on several matters and this process is being used to further strengthen BAS investigative processes including linkages with other agencies such as police.
 - h) BAS has sought advice from the Prosecutions Unit as to the appropriate methodology for dealing with practitioner complaints that may lead to referral to the Building Practitioner's Board for professional misconduct.
- 2. DLPE should ensure that BAS investigative staff are adequately skilled and trained and BAS is adequately resourced and supported to ensure timely and professional investigation and prosecution.**

DLPE response

The resourcing of staff within the Audits and Investigation Unit has been maintained at 4 permanent staff. It is considered that this level of staffing is appropriate given the implementation of the Residential Building Cover Package and the creation of the Commissioner of Residential Building Disputes will reduce the number of contractual disputes referred to BAS. This should allow timeframes for investigations to be reduced and the number of audits to be increased.

Training of BAS investigative staff to provide them with the appropriate skills to undertake their role is considered essential. All staff either have completed a Certificate IV in Audits & Investigations or are in the process of completing this training. Ongoing training of staff will be implemented as part of the annual training review to ensure skills are kept up to date. Training is planned with the Prosecutions Unit of the Solicitor for the Northern Territory to further develop their skills in undertaking investigations.

3. **DLPE should provide advice to the relevant Minister on amendments to the *Building Act* aimed at improving the building regulatory system, including:**
 - a. **increasing the maximum penalty for building by an unregistered person or company;**
 - b. **including an express reference to ‘contracting to carry out building work’ in section 22;**
 - c. **empowering the Director to compel any person who is reasonably believed to have been involved with entering into a contract for, or performing residential building work, to produce documents to or to provide information to BAS;**
 - d. **any changes necessary to ensure that BAS can investigate and pass on to the Board information relevant to whether a person is fit to be registered; and**
 - e. **creating an offence of failure to answer a question or giving information or a document that is false or misleading.**

DLPE response

DLPE has provided a briefing to the Minister for Lands, Planning and the Environment on the changes recommended by the Ombudsman. The recommended changes will be included with a number of other reforms of the *Building Act* proposed for consideration by Government.

4. **BAS should review the information provided in the course of these Ombudsman investigations to establish whether any person or company should be further investigated, audited or prosecuted for unregistered building or referred to the Building Practitioners Board in relation to their conduct as a registered builder.**

DLPE response

Following a review of the information arising from the Ombudsman investigation and from the Building Practitioner Board Inquiry it was determined that the evidence is insufficient to support prosecution of any person or company given the burden of proof necessary.

In regards to the registered building practitioners, Mr Glynatsis and ACT Builders Pty Ltd, the Board of Inquiry did not order that an audit be conducted of either entity. BAS conducted an audit of Mr Michael Baxter and Castleart Pty Ltd in 2012 however neither audit found evidence of professional misconduct or incorrect registration. BAS will continue to monitor the performance of these registered building practitioners and will audit as part of its regular audit program.

The evidence obtained during the Board of Inquiry was passed on by BAS legal representatives to the NT Police Fraud Squad. It is understood that the NT Police are continuing to investigate this matter and recently clarification of some of the information provided by BAS was requested by NT Police.

5. **BAS should provide a written apology to the complainants in the first case for the time taken to investigate their complaints and failure to keep them adequately informed of progress.**

DLPE response

In April 2013 the Chief Executive of DLPE wrote to each of the complainants offering an apology for the delays experienced in the investigation of their complaints by BAS and lack of regular progress updates. A copy of the decision from the Board of Inquiry was included for the complainant's information.

6. **DLPE, BAS, the Board and the Commissioner of Residential Building Disputes should maintain co-ordinated, ongoing communications strategies to ensure that builders and residential building consumers are informed of the risks that can arise and of their responsibilities and rights under the *Building Act*.**

[No specific response was provided.]

APPROVAL FOR DEVELOPMENT AND SUBDIVISION OF LAND SUBJECT TO INUNDATION (AUGUST 2012)

In 2006, the Northern Territory Development Consent Authority (DCA) approved the subdivision of land which had previously been identified as not suitable for subdivision owing to its propensity for seasonal inundation and waterlogging. A number of the subdivided blocks were later sold to parties who were unaware that the land, for which they had paid considerable amounts of money, was subject to seasonal inundation and flooding. In early 2011, several of the subdivided blocks, on which homes had been built, were severely inundated by floodwater following a period of heavy rain.

Significant prior knowledge and substantial evidence existed and was readily available to the agencies responsible for and involved with the assessment of the development application. That information and evidence appeared to have been overlooked, resulting in consent being granted by the DCA for the development to proceed, because of the DCA not being informed about vital facts and opinions known to Development Assessment Services (DAS), a unit of the then Department of Lands and Planning (now DLPE).

Acceptance and implementation of Ombudsman recommendations

The recommendations are set out below in bold. An update on the NT Government's response to the recommendations was provided by DLPE on 17 July 2013.

1. **The Northern Territory Government support the recommendation made by the CEO of the Department of Lands and Planning on 23 February 2012 and recommended by the Minister for Lands and Planning.**

Pursuant to Section 31A of the Lands Acquisition Act, the Minister for Lands and Planning approve the acquisition of Sections 3407, 5212 and 5215 Hundred of Strangways (acquisition by agreement).

DLPE response

Land Administration and the owners of 3407, 5212, 5213, 5214 and 5215 have reached agreement on the purchase of their properties and terms of settlement in accordance with the Ombudsman recommendations.

2. **The Northern Territory Government acquire, in consultation and by agreement with the current owner/s, any other property within the former Sections 3103 to 3105 identified as having less than 1 hectare of unconstrained land, free from inundation, and compensate the landowners for the following in accordance with law:**
 - (i) **The price of the value of their land and improvements at market value to be determined by a valuer agreed between the parties and if not agreed to be appointed by the Director of the Real Estate Institute of the NT.**
 - (ii) **Waiver of any stamp duty payable on a property purchased in substitution for the flooded land.**
 - (iii) **All conveyancer's LTO fees and other expenses on purchase of a substitute property.**
 - (iv) **Removal and relocation expenses.**
 - (v) **General damages to be assessed or agreed for stress and inconvenience and any other financial loss such as alternate accommodation or of remedial attempts undertaken.**
 - (vi) **Transfer by the landowners of any cause of action they may have against the Developer, Real Estate Agent, Building Certifier, or any other person and co-operation if the Northern Territory conducts proceedings under rights of subrogation in the name of the landowners.**
 - (vii) **Legal costs incurred by the landowners.**

DLPE response

Land Administration, the Solicitor for the Northern Territory and the owners of 5212 and 3407 are currently finalising the preparation and execution of the necessary documents to complete settlement. Settlement is complete for 5213, 5214 and 5215. These properties are now held in Estate in Fee Simple to the Territory.

3. **Where acquisition is not agreed, the Northern Territory Government, in consultation with remaining landowners, immediately identify, fund and implement effective flood mitigation and resolution strategies to the satisfaction of all parties.**

DLPE response

Completed. Agreement reached with all land owners who sought acquisition.

4. **The Department of Lands and Planning review existing legislation policies and procedures regarding the Development Assessment process to ensure all proposed development applications are thoroughly investigated and information validated prior to delivery to the Development Consent Authority. Specifically I recommend that persons lodging an objection to an application for development or subdivision be given access to the reports of DAS to the DCA at least 5 business days in advance of a hearing of the application.**

DLPE response

a. DAS and Lands Planning are collaborating with other Government Departments (Department of Land Resource Management – DLRM – Department of Health) to develop a land suitability framework for development proposals to be prepared by a suitably qualified professional. This includes the development of Land Suitability Guidelines and a review of current application requirements, service authority responsibilities and DAS processes.

b. The applicant currently receives the DAS report two days prior to the hearing. In response to the Ombudsman's report, any submitters now also receive the report two days prior to the hearing. The DCA only receive the report four days prior to the hearing. The Minister has determined to place the proposed Land Suitability Guidelines, along with changes to the NT Planning Scheme to ensure land suitability is appropriately addressed on public exhibition for 28 days commencing 12 July 2013.

- 5. The Northern Territory Government establish minimum standards for flood mapping to ensure records remain contemporary and meet the minimum requirements as stipulated by the NT *Planning Act*, the NT Planning Scheme and associated Land Use Objectives.**

DLPE response

DLPE has established a Lorikeet Court drainage study technical committee to which DLRM provide technical expert advice in regards to flooding. It has been determined the standards used for River and Storm surge mapping in NT reflect current national best practice. National standards for flood hydrology assessment, risk assessment and mapping are currently being reviewed with input from the NT.

- 6. The Northern Territory Government undertake regular and comprehensive flood mapping studies, with data and details updated and published on agency websites, as recorded and mapped by suitably qualified environmental experts.**

DLPE response

DLRM provides riverine and coastal flood assessment and flood mapping services for priority communities in line with National standards and agreements. This information is on the DLRM website. Riverine flood mapping does not apply to land seasonally inundated or waterlogged due to local stormwater runoff. This information is captured during land resource capability assessment at a broad scale. Often the scale of seasonal inundation mapping is too broad for subdivision purposes and developers would need to undertake finer scale inundation mapping for certainty.

Developers should also contact the relevant Local Government Authority in regard to stormwater management and planning requirements. Recent changes to DLRM assessment methodology and processes have mandated that Developers identify and clearly delineate the extent of constrained land to confirm that 1ha of unconstrained land exists in each of the subdivided blocks.

- 7. Both DLP and NRETAS introduce an electronic Information Management system to capture and retain all available information and data including both corporate and local knowledge, planning file documents, land capabilities, waterlogged soils, seasonal inundation and flood mapping for future reference and consideration throughout development assessments.**

DLPE response

DLPE and DLRM have been working to upgrade and improve their electronic data systems, as some aspects of this recommendation are already available and linked. DLRM is currently developing a new information management system that will be functional by December 2013.

The new DLRM system will assist DLRM in capturing information that informs Agency comments to relevant decision making authorities. The information obtained by the Department on any particular parcel will be housed in one system. The current system stores information in a number of different databases. Having a centralised information system will allow historical searches for information e.g. search for previous comments or background information used to develop comments, to be undertaken much more efficiently.

- 8. The Minister for Lands and Planning seek an immediate review of and amendments to the NT *Planning Act* to provide legislative requirements on all Developers, including penalty and enforcement provisions for noncompliance.**

DLPE response

The Department has drafted a submission to Government recommending approval of drafting instructions to amend the *Planning Act* in relation to land capability assessment for rezoning proposals. There are penalty and enforcement provisions in the *Planning Act*, and a review of these will be undertaken as part of the amendment to the *Planning Act*. Briefs on these two policy initiatives have been provided to the Minister for his consideration.

- 9. The Chief Minister appoint a Board of Inquiry under the *Inquiries Act* to review, investigate and report on the operations, processes and functions of the Development Consent Authority to inform the Government and the public of the Northern Territory whether the interests of the Northern Territory would be better served if changes to the *Planning Act*, and to the operations of the Development Consent Authority and Development Assessment Services be made. The *Ombudsman Act* does not give the Ombudsman jurisdiction to enquire into the Development Consent Authority unless a referral is made to the Ombudsman by the Legislative Assembly.**

DLPE response

DLPE and DLRM have reviewed the processes used for the assessment of the land suitability of proposed subdivisions. Proposed changes to the NT Planning Scheme have now been developed by DLPE in consultation with DLRM to ensure that land suitability is appropriately addressed in applications and relevant information is expertly reviewed to effectively inform the decision making process of the Development Consent Authority. This includes the development of Land Suitability Guidelines for inclusion in the NT Planning Scheme. The Minister has determined to place the proposed changes on public exhibition. The 28 day exhibition period will commence on 12 July 2013.

- 10. That the Minister for Natural Resources, Environment and Heritage release for public access the report of the Environment Protection Authority to him relating to the land the subject of this report, namely, Sections 3103 – 3105 and part Sections 3100 to 3102 and 3106 – 3111 Hundred of Strangways.**

DLPE response

The former Environment Protection Authority (EPA) provided a report to the previous Minister for Natural Resources, Environment and Heritage. The Ombudsman obtained a copy of the former EPA's report and commented on the advice provided by the EPA, which is on the public record. The Ombudsman's Report "Report of an investigation into the approval for development and subdivision of land for residential purposes at Beddington and Pelly Road Herbert" was tabled in Parliament at the Sittings on 14-16 May 2013.

MORGUE MANAGEMENT IN REMOTE COMMUNITIES (MARCH 2012)

In March 2012, the former Ombudsman presented a report to the then Chief Minister on *Morgue Management on Remote Communities in the Northern Territory*. The report was tabled in Parliament in May 2012.

The underlying issue was the failure over a number of years of anyone to take responsibility for provision or coordination of morgue management in remote communities. This contributed to a number of distressing outcomes, including:

- a body at Kalkarindji lay unrefrigerated for several days due to a broken unit, and in fact had hot air blowing on it. The deceased person's mother (who was the complainant in this case) was advised not to view her son's body due to the state of decomposition;
- a medical practitioner returned to Yarralin to discover that a body was being stored in the kitchen of her home as there was nowhere else to put it;
- storage in a shed with no air-conditioning as the body was decomposing and smelt too much;
- storage of a body in the Timber Creek Court room; and
- Northern Land Council staff who had no training having to deal with transport of a body.

Issues relating to the Kalkarindji Morgue had been brought to the attention of the then Minister for Local Government as long ago as October 2008 and issues relating to remote morgues have been raised by the former NT Co-ordinator General for Remote Services and the Deputy Coroner.

Eight recommendations were made by the Ombudsman, one of which was to offer an apology to the complainant. In July 2012, the Minister for Regional Development responded to the Ombudsman's Report, stating:

The Service Delivery Coordination Unit of the Department of Housing, Local Government and Regional Services has been tasked with coordinating and developing a clear way forward to address gaps in management of morgue issues in remote areas.

There is a clear need to address issues relating to infrastructure and local responsibility for services, as well as an agreed plan for the on-going development of morgue and funeral services right across the Territory. This work is urgent and well underway.

This Office has since sought updates on a number of occasions and referred on two inquiries from people who were interested in assisting with provision of mortuary services in remote communities. Informal indications have been given that some headway is being made. Most recently, an update was provided by the Department of Community Services on 19 September 2013, as follows:

The report into morgue management on remote communities in the NT has been carefully reviewed, and advice has been prepared for government on the issue. The recommendations from the report will be responded to once this advice has been considered. In the meantime, it should be noted that in May 2013, the Hon Bess Price MLA, in her capacity as the Member for Stuart, presented a plaque to the father of the deceased young man who was the subject of the Ombudsman's investigation of the Kalkarindji morgue. The plaque and comfort offered by the Hon Bess Price MLA acknowledged the loss suffered by the family.

I look forward to receiving advice on progress as soon as possible. I believe that before any headway can be made there must be a clear allocation of responsibility to one agency, preferably for overall morgue management in the Territory but if that is not immediately possible at least for the timely resolution of the issue. Given the lapse of time that has already occurred, it would be preferable if an explicit timeline is set for resolution of the issue.

CHAPTER 6 – APPROACHES – ENQUIRIES AND COMPLAINTS

NUMBER OF APPROACHES

In 2012/13, there were 2,243 approaches to the Office. These varied from quick queries to matters outside our jurisdiction (which we refer on where possible) to matters requiring more work on our part and ultimately to complaints requiring significant investigation.

Recording of data regarding approaches improved significantly in 2012/13 with the implementation of a new case management system. Considerable time and effort was expended in the course of the year in fine tuning the system. Over time this will allow improved reporting of year to year comparative data.

The top 12 government agencies by approach in 2012/13 were¹:

| Department / Agency | Approaches |
|--|------------|
| Police, Fire and Emergency Services | 418 |
| Correctional Services | 274 |
| Housing | 102 |
| Power and Water | 79 |
| Attorney-General and Justice (1) | 44 |
| Transport (2) | 34 |
| Business (3) | 29 |
| Education and Children’s Services | 19 |
| Health | 19 |
| Charles Darwin University | 15 |
| Office of Children and Families | 14 |
| Darwin City Council (4) | 11 |

Notes

- (1) Includes Fines Recovery Unit, Public Trustee, Consumer Affairs.
- (2) Includes Motor Vehicle Registry.
- (3) Includes Gambling & Licensing, NT Worksafe.
- (4) In total, there were 31 approaches in relation to local government councils.

Police, Fire and Emergency Services continued to register the most approaches to the Office, although there was a slight decrease from 443 approaches in 2011/12.

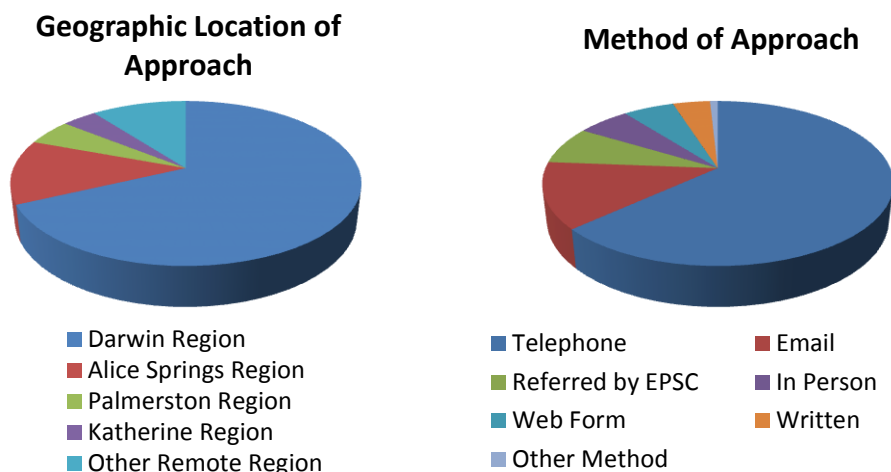
The number of Correctional Services approaches increased from 229 in 2011/12.

Housing approaches also increased from 70 in 2011/12. As foreshadowed in the previous Annual Report, this increase is at least partly attributable to the increased role that the Department is playing in administering housing in remote communities.

Approaches relating to Power and Water dropped slightly from 86 in 2011/12.

¹ Significant restructuring of Government departments took place during 2012/13 with the advent of the new Government. The list reflects the names and structures in place at 30 June 2013.

WHERE APPROACHES COME FROM



HOW APPROACHES ARE DEALT WITH

Approaches to the Ombudsman NT can be dealt with in a number of ways.

| Dealt with as | Description |
|----------------------------------|---|
| Ombudsman matters | Approach within jurisdiction and dealt with by Ombudsman NT |
| Agency referral | If the complainant has not previously raised the issue with the agency, the Ombudsman NT will in almost all cases refer the complainant back to the agency to give it a chance to resolve the issue |
| Complaint entity referral | There are other complaints and review bodies that deal with specific issues. The Ombudsman NT may formally refer a matter to one of those bodies. |
| Outside jurisdiction | Enquirer advised Ombudsman NT has no jurisdiction. Referred or provided with contact details for another complaints body (government or private sector) if possible. |

Ombudsman matters

The Ombudsman NT deals with complaints about NT government agencies, local government councils and conduct of NT Police. The Ombudsman may make preliminary enquiries of a public authority to establish whether the Office is authorised to investigate a complaint and whether the action should be investigated.

Ombudsman matters may be resolved informally or a formal investigation may be undertaken.

The Office may decline to deal with a complaint for a variety of reasons, including that the complaint is trivial, frivolous, vexatious or not made in good faith, that the complainant does not have a sufficient interest, that investigation is unnecessary or unjustified or that the action complained of has been or will be investigated by another complaints entity.

Giving the agency a chance to resolve the complaint

Our office maintains the view (strongly encouraged under the Act) that the relevant agency should be given the opportunity to resolve a complaint in the first instance. For this reason, complainants who come to our office without first addressing their concerns with the relevant agency will be assisted by our staff in making contact with the agency.

This often involves our staff contacting the agency by phone and providing a letter that simply outlines the complainant's concerns. The process works well and is appreciated by both the agency involved and the complainant. If the agency is unable to resolve the complaint, the complainant can return to our Office for further assistance.

Referrals to another complaints entity

There are a number of other NT Government complaints entities that deal with specific issues. In some cases, they have exclusive jurisdiction to deal with complaints of that type while in others there may be shared jurisdiction. The Ombudsman NT may refer inquiries of this kind to another entity (section 32 of the *Ombudsman Act*).

To assist the smooth referral of complaints and exchange of information between offices, our Office enters into memorandums of understanding covering the practical aspects of referrals, confidentiality and information sharing, the sharing of resources and minimising the risk of duplication.

Complaints entities that we may refer a matter to include:

- Commissioner for Public Interest Disclosures;
- Information Commissioner;
- Children's Commissioner ;
- Health and Community Services Complaints Commission; and
- Anti-Discrimination Commission.

Outside jurisdiction

Each year the Office also responds to numerous enquiries relating to entities that do not fall within its jurisdiction, for example, inquiries about private sector or non-government organisations.

There are also some types of Government action that we do not have power to review, for example, personal decisions of Ministers, decisions of Cabinet and Executive Council, judicial decisions and decisions about public sector employment.

In outside jurisdiction cases, the Office attempts to either provide contact details or put the enquirer in touch with an entity that can assist them. The following table lists the most common outside jurisdiction sectors where approaches were referred on to another complaints body in 2012/13.

| Sector | Approaches referred on |
|-------------------------|------------------------|
| Employment | 144 |
| Consumer Affairs | 139 |
| Health services | 68 |
| Private rentals | 67 |
| Financial services | 65 |
| Telecommunications | 65 |
| Commonwealth government | 59 |

In 2013/14, the Office will take steps to enhance its telephone answering system and its online complaints form to clarify its jurisdiction and refer enquirers who we cannot assist on to a relevant complaints body as quickly and directly as possible.

HOW QUICKLY APPROACHES ARE DEALT WITH

In 2012/13, 2,266 approaches to the Office were finalised.

The bulk of non-Police approaches are dealt with expeditiously by the Office. In 2012/13, 77% were dealt with within 7 days and 92% within 28 days.

On average, Police approaches take somewhat longer than other matters to finalise, often involving allegations that must be carefully investigated. The reporting year saw an increased focus by Police and this Office on timely resolution of complaints, with 88% of Police approaches finalised within 90 days. Given the positive approach adopted by Police in 2012/13, I anticipate that the timeliness of investigation and resolution of complaints will continue to improve.

Time taken to finalise approaches - approaches finalised in 2012-13

| Group | Up to 7 days | 8 to 28 days | 29 to 90 days | 91 to 180 days | Over 180 days | Total |
|--------------|--------------|--------------|---------------|----------------|---------------|-------------|
| Police | 49% | 21% | 17% | 4% | 8% | 412 |
| Other | 77% | 15% | 6% | 1% | 1% | 1854 |
| Total | 1633 | 372 | 177 | 36 | 48 | 2266 |

Only 48 matters remained open at 30 June 2013. This represents 2% of approaches received during 2012/13 and is a very positive outcome given the large number of approaches made during the year.

Age of open matters - as at 30 June 2013

| Group | Up to 7 days | 8 to 28 days | 29 to 90 days | 91 to 180 days | Over 180 days | Total |
|--------------|--------------|--------------|---------------|----------------|---------------|-----------|
| Police | 2 | 9 | 4 | 2 | 2 | 19 |
| Other | 12 | 9 | 6 | 1 | 1 | 29 |
| Total | 14 | 18 | 10 | 3 | 3 | 48 |

APPROACHES INVOLVING POLICE

Complaints against Police are dealt with under detailed provisions in the *Ombudsman Act*. The Act requires the Commissioner of Police and the Ombudsman to notify each other, upon receipt of a complaint, and to provide details of the complaint. It provides a framework for the investigation of complaints against Police and defines the role of the NT Police Ethical and Professional Standards Command – referred to in the Act as the Police Standards Command (PSC).

Although the Ombudsman routinely deals with simple enquiries and may in certain circumstances exercise the prerogative to undertake an ‘Ombudsman Investigation’, the majority of complaints against Police are investigated by the PSC. It is the oversight and assessment of such complaint investigations, the ‘Complaint Resolution Process’ and any formal ‘Conciliations’ for which the Ombudsman is responsible under the Act.

How Police approaches are dealt with

Once a Police complaint has been determined to be within jurisdiction, the complaint is assessed in consultation with the Commander PSC, according to the level of response considered necessary.

Careful consideration is given to the potential seriousness or importance of the complaint, whether it is appropriate for the Police to deal with the matter in the first instance, and the responsible allocation of resources. The classification of complaints is intended to be flexible and, if necessary, it may be changed according to the results of enquiries/investigations to hand.

The different methods of dealing with approaches utilised during 2012/13 were:

| Method | Description |
|---|--|
| Enquiries | Matters addressed simply by the provision of information, advice or referral without recourse to the PSC. Not categorised as complaints. |
| Declined | The Ombudsman may decline to deal with a complaint under section 67 on a variety of grounds, including that the complaint is trivial or vexatious, that the complainant does not have a sufficient interest or that disciplinary procedures have commenced or charges have been laid against the officer in question. |
| Complaint Resolution Process (CRP) | The Complaint Resolution Process is an informal process undertaken by Police where early personal contact between Police members and complainants may lead to a quick and effective resolution. The CRP may involve explaining to a person why a particular course of action was taken, the legal and practical considerations surrounding the incident or a simple apology. Ideally the Police member and the complainant should be satisfied with the outcome but it is appreciated that this may not always be achievable. CRP is a means of dealing with common complaints about practice, procedures, attitudes and behaviours and is not intended to be an approach focused on fault-finding or punishment. |
| Category 2 complaint investigation | These complaints do not fall within the guidelines for CRP complaints, but are not considered sufficiently serious, or of such a nature as to warrant a Category 1 investigation. They are investigated and resolved directly by Police in the first instance. Police report on the investigation to the Ombudsman and the complainant. The complainant can then raise any ongoing concerns with the Ombudsman. |
| Category 1 complaint investigation | <p>These are more serious allegations, for example complaints:</p> <ul style="list-style-type: none"> • considered to be of a serious or urgent nature, e.g. major assault, use of fire-arm or other perceived weapon, etc.; • involving threats or harassment considered to be of a serious nature e.g. threat to kill, threat to endanger life, threat to unlawfully harass, etc; • likely to result in criminal or disciplinary proceedings; • raising a matter of public interest; or • likely to raise significant questions of Police practice or procedure. <p>Police provide a report which is assessed by this Office. The Ombudsman provides an assessment, and any recommendations, to the Commissioner. If the Commissioner agrees with the recommendations, the Ombudsman then advises the complainant of the relevant outcomes of the investigation. If the Commissioner and the Ombudsman are unable to agree on the outcomes and recommendations, the Ombudsman may provide a separate report to the complainant or provide a report for tabling in the Legislative Assembly.</p> |

Of approaches received in 2012/13:

- 135 were assessed for resolution as CRP matters;
- 13 were assessed as Category 2 complaints; and
- 6 were assessed as Category 1 complaints.

Two other methods of dealing with Police approaches are available under the *Ombudsman Act* but were not utilised during 2012/13.

| Method | Description |
|--------------------------------|--|
| Formal conciliation | <p>There is provision for formal conciliation in the <i>Ombudsman Act</i>. Conciliation may only be undertaken by agreement with the parties. It is not intended to absolve Police Officers of any misconduct or action. The process is an alternative dispute resolution process which is directed at reducing the need for civil matters proceeding to the courts</p> <p>Matters which might be amenable to this process are in practice dealt with through the Complaint Resolution Process.</p> |
| Ombudsman investigation | <p>The Ombudsman may decide to directly investigate any Police complaint if satisfied it:</p> <ul style="list-style-type: none"> • concerns the conduct of a Police Officer holding a rank equal or senior to the rank of PSC Commander; • concerns the conduct of a PSC member; or • is about the practices, procedures or policies of the Northern Territory Police Force; or • should be investigated by the Ombudsman for any other reason. <p>The Ombudsman may decide that the investigation be undertaken in conjunction with a PSC member.</p> |

Issues and Outcomes – Category 1 and 2 complaints

As noted above, the majority of complaints against Police are resolved through the Police Complaints Resolution Process.

Category 1 and Category 2 investigations deal with more serious complaints. For those complaints, an investigation is undertaken and a report is prepared by a Police investigating officer. The report is then reviewed firstly by senior Police and then by Ombudsman investigators.

A variety of issues were raised in Category 1 and 2 complaints finalised in 2012/13. These complaints predominantly related to use of force in the course of arrests or other dealings with Police. Complaints were also raised about the way Police spoke to people, the manner and timeframes in which investigations were carried out, and the use or disclosure of official information.

There are a variety of potential outcomes from an investigation. A complaint may be found to be sustained. It may be found to be unsubstantiated because there is no evidence or unresolved because there is insufficient evidence. The action or conduct of Police may be found to be reasonable or not unreasonable in the circumstances. In some cases a complaint may be declined or discontinued in light of Police disciplinary procedures being undertaken.

Including complaints carried over from the previous year, ten Category 1 complaints and six Category 2 complaints finalised in 2012/13 involved findings that issues were sustained. A further two Category 2 complaints were discontinued on the basis of disciplinary procedures being undertaken.

In some cases, complaints involved more than one issue. In some there was more than one officer involved. For cases finalised in 2012/13, the number of cases involving each particular type of sustained issue is listed below.

| Issue Category | Number where issue sustained |
|---|-------------------------------------|
| Behaviour – abuse/rudeness/insensitivity | 4 |
| Information – inappropriate access, use or disclosure | 4 |
| Investigation – failure to undertake / inadequate / delay | 4 |
| Arrest – unreasonable force / assault | 3 |
| Custodial - medical treatment - failure to provide access / delay | 3 |
| Complaint against Police – failure to take/inadequate investigation/ delay | 3 |
| Property – loss/damage / failure to protect | 2 |
| Arrest – unlawful arrest /detention | 1 |
| Custodial – personal safety / wellbeing – failure to monitor /safeguard | 1 |

Examples of sustained complaints included:

- Swearing.
- Offensive or provocative comments.
- Accessing information for personal reasons.
- An officer gave a complainant a blank sheet of paper and told him to write out his own statement.
- Failure to record details of investigation adequately.
- Use of a taser to stop a person escaping custody when other options may have been considered.
- Officer elbowed person in custody in face after he surrendered.
- Failure to secure vehicle when person apprehended.
- Recorded wrong information on record systems and failure to double check alternate systems.
- Not responding to cell call buttons in a timely manner, muting cell call buttons for periods of time.
- Failure to undertake cell checks in a timely manner.

Actions taken in relation to officers in 2012/13 included cautions, counselling, remedial training, disciplinary action and termination.

CHAPTER 7 - STAKEHOLDER & COMMUNITY ENGAGEMENT

The Office engages with stakeholders and the broader community in a variety of ways. In 2012/13, community engagement was limited in scope given the availability of staff and resources but included:

- maintenance of the Ombudsman NT website which hosts a variety of resources and links relevant to public administration, and an online complaint service;
- a meeting with the Leader of the Opposition, a meeting with the independent Member for the Legislative Assembly (MLA) and a briefing for newly elected MLAs;
- meetings with other stakeholders, for example the Law Society of the Northern Territory, the North Australian Aboriginal Justice Agency, NT Legal Aid and the Police Association;
- presentations to groups including the Top End Women’s Legal Service, the Darwin Pensioners and Senior Citizen’s Association and the Asthma Foundation;
- community visits to Minjilang and Warruwi in conjunction with staff of the Commonwealth Ombudsman; and
- participation in joint public authority / stakeholder working groups such as NT Remote Housing Legal Services Meetings.

WEBSITE VISITS

Visits to the NT Ombudsman’s website increased again this year. In 2012/13 there were 33,092 unique page views from 15,097 unique visitors, an increase of 15% over visitor numbers in 2011/12.

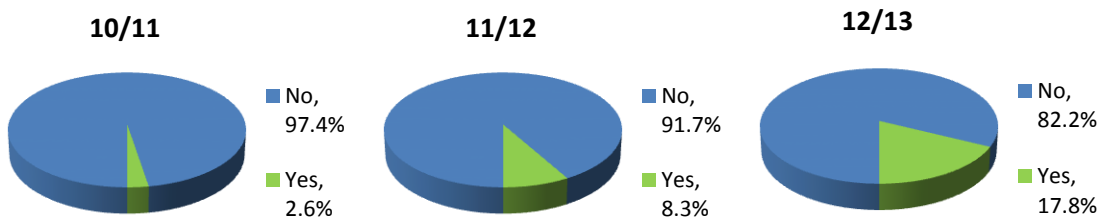
| | 2010/11 | 2011/12 | 2012/13 |
|---------------------------------|---------|---------|---------|
| Total Unique Page view’s | 28,216 | 32,447 | 33,092 |
| Unique Visitors | 10,108 | 13,155 | 15,097 |
| Total Visits | 12,485 | 16,203 | 18,386 |

As in previous years the most commonly visited pages contained information on how to contact this Office, how to make a complaint and how to access publications and reports.

It is interesting that 19% of visits originated from overseas.

The proportion of visits from mobile devices doubled during the year, rising to 17.8%.

3 Year comparison of website visits from mobile devices



CHAPTER 8 - OVERSIGHT FUNCTIONS

SURVEILLANCE DEVICES ACT

The purposes of the *Surveillance Devices Act* (the SDA) are:

- (a) to regulate the installation, use, maintenance and retrieval of surveillance devices;
- (b) to restrict the use, communication and publication of information obtained through the use of surveillance devices or otherwise connected with surveillance device operations;
- (c) to establish procedures for law enforcement officers to obtain warrants or emergency authorisations for the installation, use, maintenance and retrieval of surveillance devices in criminal investigations extending beyond this jurisdiction;
- (d) to recognise warrants and emergency authorisations issued in other jurisdictions; and
- (e) to impose requirements for the secure storage and destruction of records, and the making of reports to Judges, magistrates and Parliament, in relation to surveillance device operations.

Section 63(1) of the SDA requires the Ombudsman to inspect the records of the Northern Territory Police Force (NT Police) to determine the extent of compliance with the SDA by NT Police and its law enforcement officers.

The Ombudsman is required, under section 64(1) of the SDA, to report to the Minister at six monthly intervals on the results of each inspection. Section 64(2) of the SDA provides that the Minister must, within 7 sitting days after receiving a report, table a copy of it in the Legislative Assembly.

In accordance with the SDA, the Office of the Ombudsman undertook two inspections during the reporting period and reports were provided to the Minister.

TELECOMMUNICATIONS (INTERCEPTION) NORTHERN TERRITORY ACT

The *Telecommunications (Interception and Access) Act* (the Commonwealth Act) prohibits the interception of, and other access to, telecommunications except where authorised. An “agency” as defined in the Commonwealth Act can apply for a warrant to authorise access.

The NT Police has been declared an agency under section 34 of the Commonwealth Act.

The *Telecommunications (Interception) Northern Territory Act* (the NT Act) enabled that declaration and provides for record keeping, inspection and reporting required under the Commonwealth Act (see section 35 of the Commonwealth Act).

Sections 9 and 10 of the NT Act provide for the NT Ombudsman to inspect NT Police records and report on compliance by members of the NT Police with Part 2 of the NT Act.

Section 10 of the NT Act provides that there must be an inspection at least once in every six month period and that an annual report on inspections must be provided to the NT Minister within three months of the end of the financial year. The NT Minister in turn provides a copy of the report to the Commonwealth Attorney-General.

In accordance with the NT Act, the Office of the Ombudsman undertook two inspections during the reporting period and an annual report was provided to the NT Minister.

CHAPTER 9 - OUR OFFICE

OUR STAFF

Staffing details for the Office as at 30 June 2013 are outlined below:

| Position Title | Level | Number | Status |
|-------------------------------|-------|--------|---------------------------|
| Ombudsman | ECO5 | 1 | Statutory appointment |
| Deputy Ombudsman | ECO2 | 1 | Executive Contract |
| Assistant Ombudsman | ECO1 | 1 | Executive Contract |
| Senior Investigation Officer | AO7 | 3 | Ongoing |
| Investigation Officer | AO5 | 1 | Ongoing |
| Resolution Officer | AO4 | 2 | 1 Ongoing, 1 Fixed period |
| Police Administration Officer | AO3 | 1 | Ongoing |
| Executive Assistant | AO5 | 1 | Fixed period |
| Business Manager | AO6 | 1 | Ongoing |
| Records/Admin Officer | AO4 | 1 | Fixed period |

In addition, the Office had one staff member on extended unpaid leave arrangements and another on temporary transfer to another public authority.

The only change to staffing numbers and levels from the 2011/12 Annual Report arose due to re-evaluation of the Records/Admin Officer position from AO3 to AO4.

Professional Development

Staff professional development supported by the Office during 2012/13 included:

- two staff completed the *Future Leaders Program* co-ordinated by the Office of the Commissioner for Public Employment;
- two staff attended a course on *Understanding and Managing High Conflict Personalities in Legal Disputes* co-ordinated by the Law Society for the Northern Territory;
- two staff attended cultural awareness training;
- one staff member completed Excel training;
- two staff completed mediation training and continued to attend workshops and other activities to maintain accreditation.

CORPORATE GOVERNANCE, FINANCIAL PLANNING AND PERFORMANCE

Under the *Ombudsman Act*, the Ombudsman is independent of Government in relation to complaints and investigations (section 12). However, for administrative purposes, the Ombudsman's Office is an Agency under the administrative responsibility of the Chief Minister and the Ombudsman is the Chief Executive Officer of the Agency.

This means that under the *Financial Management Act*, the Ombudsman is the accountable officer for the Ombudsman's Office, and has responsibility for the efficient, effective and economic conduct of the Office. The Statement of Accountable Officer is on page 1 and the Financial Statements for 2012/13 are at Appendix B of this Report.

It also means that the Ombudsman has responsibilities as a Chief Executive Officer under the *Public Sector Employment and Management Act*.

An OmbudsmanNT Strategic Plan provides guidance and a general framework for strategic operations and annual business planning. A copy of the current Strategic Plan is available online at: <http://www.ombudsman.nt.gov.au/about-us/our-policies/>.

Within the constraints of available resources and in alignment with the strategic and business plans, financial planning is undertaken and an annual budget prepared at the commencement of each financial year.

Monthly staff and management board meetings are held to facilitate the administration of the Office and monitor progress against budget and strategic and business plans.

PUBLIC SECTOR PRINCIPLES

The Office of the Ombudsman upholds the public sector principles relating to administration management, human resource management (including merit and equality of employment opportunity) and performance and conduct set out in the *Public Sector Employment and Management Act*.

As a small organisation we frequently rely on the work of the Office of the Commissioner for Public Employment, larger NT agencies or our counterparts in other jurisdictions to assist in policy development in this area, adopting or adapting policies and the like as the needs of the Office require. Their contributions in this regard are most appreciated.

The Office is currently reviewing a number of human resource related policies with a view to having revised policies in place by the end of 2013/14.

WORK HEALTH AND SAFETY

The Office of the Ombudsman is committed to providing a safe and healthy working environment for all of our workers and visitors to the Office. We have developed and implemented an OHS Management System, including an Occupational Health and Safety Management Plan, that meets the requirements of the *Work Health & Safety (National Uniform Legislation) Act* and *Employment Instruction 11 – Occupational Health and Safety Standards Programs*. Workplace Health and Safety (WH&S) is a standing agenda item on monthly staff and management board meetings.

Only minor WH&S issues were identified during the year and were recorded and rectified promptly. Should any significant WH&S issue arise which cannot be promptly addressed by the Office, the regulator NT Worksafe will be contacted for advice/assistance.

ANNUAL INSURANCE REPORTING REQUIREMENTS

Under Treasurers Directions (M 2.1.3 – Insurance Arrangements) each agency and Government Business Division is required to report insurance related information in their annual report. Details of the Office's insurance arrangements are discussed below.

WH&S assessments of possible physical injury to staff within the Office are consistently assessed as low. This risk is further mitigated through implementation and adherence to Security and Risk Management systems. No commercial insurance is required for this risk category.

The Office does not hold large amounts of physical assets and as such the highest risk exposure to the Office is the physical risk of damage to leased motor vehicles.

Risk to motor vehicles is mitigated through commercial vehicle insurance with TIO which costs this office approximately \$2,000 per year and covers both of the agency's leased vehicles.

RECORDS MANAGEMENT, DISCLOSURE AND CORRECTION

The Ombudsman complies with the relevant requirements of Part 9 of the *Information Act – Records and Archives Management*.

Information held by the Office

The Ombudsman holds information in the following categories:

- information relating to inquiries and investigations into complaints against Northern Territory Government agencies, local government councils or the actions of a member of the NT Police Force. This information includes complaints, correspondence and consultations with complainants and agencies, other information sources such as background material, records of conversation, analysis and advice and reports;
- information relating to the Ombudsman's role as the chief executive of an NT agency with a particular set of responsibilities, in terms of the development or implementation of administrative process, policy or legislation; and
- information relating to the Ombudsman's management of the office, including personnel, contracting and financial records and information about asset management.

The following are specific types of information held by the Ombudsman.

Administrative and policy files

The Ombudsman keeps files of correspondence and other documents, indexed by subject matter, on issues concerning office administration and management.

There are records on a wide range of policy and general questions concerning the Ombudsman's functions and powers, the operation of the Office and the approach taken by the Ombudsman to particular classes of complaints.

Files may relate to the Ombudsman's jurisdiction over a particular body or over particular classes of actions, or they may represent the recording and consolidation of information on subjects or issues that have arisen in the course of investigations.

Access to information held on these files may be provided depending on the content of the relevant documents. Charges may also apply (see 'Providing access to information' below).

Complaint files

The Ombudsman keeps files of documents relating to each written complaint made under the *Ombudsman Act*. The Ombudsman maintains a computer-based register of all complaints. The files are indexed in several ways, including the complainant's name, the agency complained about and the subject of the complaint.

On completion of matters, all physical files or documents are stored in the Darwin office until moved to archives or destroyed in accordance with approved disposal schedules.

Access to the information on these files is generally restricted depending on who is seeking the information.

Legal opinions

The Ombudsman maintains a copy of legal opinions the Office has been provided with. These opinions cover issues arising during the investigation of complaints and issues involving the Ombudsman's functions and powers. They are not routinely disclosed.

Annual reports

Copies of the current Annual Report and some previous Annual Reports are available for downloading on the Ombudsman's website at www.ombudsman.nt.gov.au. Some printed copies of the current Annual Report are available free of charge soon after publication.

Brochures

The Ombudsman has a range of brochure material available to the public. The material details the functions of the Ombudsman and provides a guide to using the services of the office. Some printed copies of these brochures are available free of charge from the Ombudsman's Office in Darwin and some are available for downloading on the Ombudsman's website.

Policies, manuals and guidelines

The Ombudsman has a variety of policy and procedural documents and guidelines. A number are available on the Ombudsman's website. Access to information contained in these documents may be provided depending on the content of the relevant documents. Charges may apply.

Service Standards

The Ombudsman's Service Standards set out the standards of service you can expect. A copy of the Service Standards is available on the Ombudsman's website.

Providing access to information

Publicly available documents

The following documents may be available for inspection, distribution or purchase on request:

Brochures: No charge.

Annual Report: \$30 for the purchase of a hard copy.

Service Standards: No charge.

Administrative arrangements for access to information

General inquiries and requests for access to documents may be made in person, by telephone or in writing at the Darwin Office. Alternatively, current or past complainants or respondents may choose to approach the relevant case officer directly. The Office is open between 8.00am and 4.30pm on weekdays (excluding public holidays).

Access under Part 3 of the Information Act

One object of the *Information Act* is to extend, as far as possible, the right of a person to access government and personal information held by government.

Initial inquiries about access to documents under Part 3 can be made to the Deputy Ombudsman through any of the contact options set out on the last page of this Report. An application to access information under Part 3 should be in writing and addressed to the Business Manager. It may be sent by letter, facsimile or email or hand delivered.

While some information held by the Office is available under these provisions, a considerable amount is exempt from disclosure. For example, information is exempt from disclosure under section 49C of the *Information Act* if it is:

- contained in a complaint under the *Ombudsman Act*; or
- obtained or created under that Act in the course of or for making preliminary enquiries, or the conduct of conciliation, mediation, the police complaints resolution process or an investigation.

Applications for this type of information will be transferred to the organisation from whom information in the control or custody of the Ombudsman was sourced.

In 2012/13, the Ombudsman received no information access requests under the *Information Act*.

Procedures for Correcting Information

The *Information Act* also provides for applications to correct personal information.

Initial inquiries about correcting personal information under Part 3 can be made to the Deputy Ombudsman through any of the contact options set out on the last page of this Report. An application to correct personal information under Part 3 should be in writing and addressed to the Business Manager. It may be sent by letter, facsimile or email or hand delivered.

In 2012/13, the Ombudsman received no personal information correction requests under the *Information Act*.

APPENDIX A – AGREEMENTS WITH OTHER BODIES

MEMORANDUM OF UNDERSTANDING
between
THE COMMONWEALTH OMBUDSMAN
and
OMBUDSMAN FOR THE NORTHERN TERRITORY
November 2009

PARTIES

1. The Parties to this Memorandum of Understanding (MOU) are the Commonwealth Ombudsman and the Ombudsman for the Northern Territory (NT Ombudsman).
2. To the extent possible and relevant, this MOU is an arrangement for the purposes of s 8A of the *Ombudsman Act 1976* (Com) and ss 19 and 148(1)(b) of the *Ombudsman Act 2009* (NT).
3. The Commonwealth Ombudsman is an independent statutory office holder established pursuant to the *Ombudsman Act 1976* (Com). The Commonwealth Ombudsman's mission includes fostering good public administration that is accountable, lawful, fair, transparent and responsive. The Commonwealth Ombudsman is charged with a range of functions including investigating the administrative actions of Australian Government officials and agencies either on receipt of a complaint or on the Ombudsman's own motion.
4. The Commonwealth Ombudsman is a complaint entity as defined in s 34 of the *Ombudsman Act 2009* (NT).
5. The NT Ombudsman is an independent statutory office holder established pursuant to the *Ombudsman Act 2009* (NT) charged with a range of functions, including:
 - i. investigating and dealing with complaints about administrative actions of public authorities effectively, efficiently, independently, impartially, fairly and in a timely way
 - ii. improving the quality of decision-making and administrative practices of public authorities.

DEFINITION

6. In this Memorandum of Understanding

"**administrative action**" for the purposes of the NT Ombudsman, has the meaning provided for in s 6 of the *Ombudsman Act 2009* (NT). For the purposes of the Commonwealth Ombudsman, it has a similar meaning to that of "action related to a matter of administration" in s 5(1) of the *Ombudsman Act 1976* (Com), as expanded by s 3(7) of that Act and qualified by s 5(2).

"**agency**" includes public authority as defined in the *Ombudsman Act 2009* (NT) as well as department and prescribed authority as defined in the *Ombudsman Act 1976* (Com).

"**delegation**" means the delegation of the powers and functions of the NT Ombudsman under ss 147 and 148 of the *Ombudsman Act 2009* (NT) and the delegation of the powers of the Commonwealth Ombudsman under s 34 of the *Ombudsman Act 1976* (Com).

"**investigation**" includes an investigation commenced on the basis of a complaint, the referral of a complaint or on the own motion of the Parties, within the meaning of the *Ombudsman Act 1976* (Com) and the *Ombudsman Act 2009* (NT), and includes preliminary enquiries under s 7A of the *Ombudsman Act 1976* (Com) and under Part 6, division 1 of the *Ombudsman Act 2009* (NT).

"**systemic issue**" means a recurring or persistent issue, policy or practice that may affect more than one individual.

PURPOSES

7. This MOU sets out the framework for cooperation between the Parties in areas of common interest where cooperation is required for the effective performance of their statutory roles in relation to the administrative actions of agencies that deliver programs in the Northern Territory. This MOU is not intended to be overly prescriptive, to legally bind or to override the Parties' existing statutory rights, duties or responsibilities.
8. The Parties are jointly committed to the effective investigation and review of the administrative actions of agencies that deliver programs in the Northern Territory. The Parties share the objectives of ensuring that agencies are accountable for their decisions and actions, administration is enhanced and public confidence in agencies is maintained.
9. The Parties will work together to:
 - i. communicate the role of each Party to agencies and the public, including joint outreach and promotion
 - ii. refer complaints to one another
 - iii. resolve complaints expeditiously, effectively and in good faith
 - iv. investigate and resolve systemic issues affecting the administrative actions of agencies that deliver programs in the Northern Territory
 - v. liaise with each other to avoid duplication of investigative or review activity.

STATEMENT OF COOPERATION BETWEEN THE PARTIES

10. Recognising the complex framework within which government programs are delivered in the Northern Territory, which often involves all three tiers of government, the Parties acknowledge the importance of cooperation and, where appropriate, collaboration, in order to ensure effective investigation and avoid unnecessary duplication.

Sharing information

11. To the extent that privacy, confidentiality and legislative requirements allow, the Parties agree that their officers will work together to share information and knowledge gained in the performance of their respective roles. Where appropriate, the Parties will invite each other to attend briefings.
12. To the extent relevant and necessary, the Parties will obtain authorisations from complainants to discuss matters of mutual interest.
13. The Parties agree to consult with each other as soon as an investigation reveals information that may lead to the criticism of an agency that is within the sole jurisdiction of the other Party.
14. As appropriate, the Parties may consult each other in relation to matters on which the other Party has specific expertise or qualifications that are likely to be relevant to an investigation.
15. The Parties agree to discuss relevant issues, including working arrangements, and to meet at least once each quarter.

Outreach

16. The Parties may undertake joint outreach activities to communities affected by the administrative actions of agencies that deliver programs in the Northern Territory. To that end, the Parties will regularly discuss opportunities for joint outreach activities.

17. The Parties will assist each other, wherever feasible, in the distribution of general material to target audiences and the community generally about how to make complaints and raise issues. They will, for example, include prominent links between their websites.

Referral of complaints

18. Where one of the Parties (the receiving Party) receives a complaint about an agency that is solely within the jurisdiction of the other Party, the receiving Party will liaise with the other Party and the complainant to determine the most appropriate way to manage the complaint, consistent with the legislative requirements applying to each Party, including, but not limited to:
 - i. providing the details of the complaint to the other Party
 - ii. referring the complaint
 - iii. directing the complaint to the other party and facilitating that process for the complainant. For example, where appropriate, the receiving Party will provide a copy of the complaint to the other Party.
19. When a Party accepts a referred complaint it will manage the complaint independently and shall notify the complainant accordingly. In those circumstances, regard shall be had to ss 18 and 19 of the *Ombudsman Act 2009* (NT).
20. As appropriate, where a matter of administration comes within the jurisdiction of both Parties, the Parties will liaise to determine whether the issue requires:
 - i. joint investigation with or without delegation
 - ii. management by the Commonwealth Ombudsman (requiring delegation from the NT Ombudsman)
 - iii. management by the NT Ombudsman (requiring delegation from the Commonwealth Ombudsman)
 - iv. separation of the complaint so that the Commonwealth Ombudsman and the NT Ombudsman manage those parts within their own jurisdiction.
 - v. management using any, some or all of the above options.

Joint Investigation

21. Subject to s 8A of the *Ombudsman Act 1976* (Com) and s 19 and 148(1)(b) of the *Ombudsman Act 2009* (NT) and to the extent possible, where a joint investigation by both the Commonwealth Ombudsman and the NT Ombudsman is determined to be appropriate, the Parties shall cooperate as required to effectively and efficiently resolve or investigate the matter.
22. When a complaint is investigated jointly the Party which accepted the complaint initially will acknowledge the complaint and notify the complainant of the joint investigation.
23. In order to effectively conduct a joint investigation, a copy of the complaint or a summary of the systemic issue, as the case may be, will be provided to each Party. The Parties may make arrangements to brief each other and to attend joint briefings from third parties.
24. A joint investigation may either be conducted by:
 - i. each Party investigating matters within its jurisdiction and sharing the results of the investigation with the other party, or
 - ii. delegations from the NT Ombudsman to nominated officers of the Commonwealth Ombudsman and delegations from the Commonwealth Ombudsman to nominated officers of the NT Ombudsman.

25. A joint investigation may culminate in a joint report.

Delegation

26. Where the Parties agree, the NT Ombudsman may make the required delegations to officers of the Commonwealth Ombudsman by an instrument of delegation. The delegated officers of the Commonwealth Ombudsman are required to sign Attachment A to this MOU.

27. Where the Parties agree, the Commonwealth Ombudsman may make the required delegations to officers of the NT Ombudsman by an instrument of delegation. The delegated officers of the NT Ombudsman are required to sign the Attachment B to this MOU.

28. The Parties will liaise in relation to any training, briefings or management issues that arise concerning delegates.

29. Where an investigation has been conducted by staff of one Party, but under or partly under, delegation issued by the other Party, the matter should not be finalised until:

- i. The delegator has agreed to the final report and/or action
- ii. The delegator has signed the final documentation/correspondence
- iii. The Commonwealth Ombudsman and the NT Ombudsman have agreed to the final report and/or action and signed the final documentation/correspondence in those instances where delegations have been made by both Parties in order to conduct a joint investigation.

Joint funding

30. Where it is in the interests of both Parties, joint applications may be made for funding concerning the investigation and oversight of agencies that deliver programs relating to the Northern Territory.

31. The Parties will cooperate in order to meet any applicable financial accounting and reporting requirements.

Duration

32. This MOU operates until the Parties agree otherwise, or either Party informs the other that it wishes to replace, vary or terminate it.

33. The Parties shall meet annually to discuss the effectiveness of the MOU.

MEMORANDUM OF UNDERSTANDING

Between:

**THE OMBUDSMAN FOR THE NORTHERN TERRITORY
(the Ombudsman)**

And

**THE COMMISSIONER FOR PUBLIC INTEREST DISCLOSURES
(the Commissioner)**

The Ombudsman and the Commissioner (the parties) record their mutual understanding of their roles and duties under the *Public Interest Disclosure Act* in relation to public interest disclosures and their agreement regarding information sharing as follows:

JURISDICTION

The parties recognise and acknowledge that:

- 1) The Ombudsman is an independent statutory office holder established pursuant to the *Ombudsman Act* charged with a range of functions including:
 - a) investigating and dealing with complaints about administrative actions of public authorities effectively, efficiently, independently, impartially, fairly and in a timely way; and
 - b) improving the quality of decision-making and administrative practices of public authorities.
- 2) The Commissioner is an independent statutory office holder established pursuant to the *Public Interest Disclosures Act* charged with a range of functions including:
 - a) providing for the disclosure and investigation of improper conduct of public officers and public bodies;
 - b) protecting persons making public interest disclosures and others from reprisal; and
 - c) ensuring that public interest information is properly investigated and any impropriety revealed by the investigation is properly dealt with.
- 3) To the extent possible and relevant, this MOU is an arrangement for the purposes of s19(1)(b) of the *Ombudsman Act* and is entered into to ensure that where there is a joint interest, matters are dealt with appropriately and expeditiously and that information is shared within the limits of the relevant legislation.

DEFINITION

- 4) In this document:
 - a) For the purposes of complaints to the Ombudsman, the terms 'complaints entity', 'administrative action', 'agency' and 'delegation' have the same meaning as in the *Ombudsman Act*.
 - b) For the purposes of public interest disclosures, the terms 'public body,' public officers', 'acting in an official capacity', 'improper conduct', 'public interest disclosure', 'referral body', 'referred MLA disclosure' and 'reprisal' have the same meaning as in the *Public Interest Disclosure Act*.

REFERRAL

- 5) Pursuant to s22 (1) (a) of the *Public Interest Disclosure Act* (and following consideration of any objection under s23 of the Act), the Commissioner may formally refer a public interest disclosure, other than a referred MLA disclosure, to the Ombudsman. Upon referral, the Ombudsman exercises his or her own powers of investigation and the *Public Interest Disclosure Act* does not apply to the investigation. The public interest disclosure does however retain its protection under the *Public Interest Disclosure Act*

- 6) An appropriate matter for formal referral to the Ombudsman might include:
 - a) a referral of a disclosure of 'improper conduct' where the identity of the discloser is generally known and a mediated settlement is preferred; or
 - b) a referral of a disclosure of 'improper conduct' where the Ombudsman is already conducting an investigation into the matter.
- 7) The Commissioner may also informally refer to the Ombudsman any complaint about a public body which is not 'improper conduct' under the *Public Interest Disclosure Act* but which deserves investigation.
- 8) The Ombudsman may informally refer a complainant to the Commissioner when the complaint relates to improper conduct by a public body or public officer and in particular when the complainant's continued anonymity or protection from reprisal is necessary.

INFORMATION AND DOCUMENTS

- 9) To assist with investigations and to prevent avoid inappropriate duplication of investigative or review activity, the parties agree as follows:
 - a) The parties may from time to time seek from each other access to relevant documents and reports with respect to a current or past complaint or disclosure with one proviso. Where the Ombudsman is completing an inquiry or investigation under the repealed *Ombudsman Act*, the parties will not seek to access the relevant documents or reports of the other party.
 - b) Requests for access will be in writing and accompanied by sufficient information (including the manner in which the documents will be used) to enable the other party to identify the relevant documents and reports and to consider whether there is good reason why access should not be granted or should be limited.
 - c) In circumstances where the anonymity of the discloser is important, a request made by the Ombudsman for access to documents held by the Commissioner may be denied or limited. In all circumstances however, the parties will act reasonably to facilitate access to documents and reports where appropriate within the limits of the legislation.

INFORMATION SECURITY

- 10) Prior to handling or accessing each other's information, staff of the parties will undergo full criminal history checks. Persons who have not passed the requisite security check should not be permitted to access this information.
- 11) Documents and reports provided by one party to the other party shall only be used for the purposes agreed between the parties and with due regard to the confidentiality provisions contained in the *Ombudsman Act* and the *Public Interest Disclosure Act*
- 12) Documents and reports provided by one party to the other party will be returned when they are no longer needed.

August 2010

APPENDIX B – FINANCIAL STATEMENTS

OMBUDSMAN FOR THE NT FINANCIAL REPORT

FINANCIAL STATEMENT OVERVIEW

For the Year Ended 30 June 2013

The Ombudsman's role is to give people a timely, effective, efficient, independent, impartial and fair way of investigating, and dealing with complaints about, administrative actions of public authorities and the conduct of police officers, and to improve the quality of decision-making and administrative practices in public authorities.

During 2012-13 the net result for the Ombudsman's Office was a deficit of \$26,000. This deficit was due to the need to meet recruitment expenses for selection of a new Ombudsman.

Operating expenses comprised \$1,625,000 for employee expenses and \$629,000 for the purchase of goods and services (which includes \$340,000 for services received free of charge and depreciation and amortisation of \$58,000).

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached financial statements for the Ombudsman for the NT have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2013 and the financial position on that date.

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



Peter Shoyer
OMBUDSMAN
30/08/2013



Sarah Schultz
BUSINESS MANAGER
30/08/2013

OMBUDSMAN FOR THE NT
COMPREHENSIVE OPERATING STATEMENT

For the year ended 30 June 2013

| | Note | 2013 | 2012 |
|--|------|--------------|--------------|
| | | \$000 | \$000 |
| INCOME | | | |
| Appropriation | | | |
| Output | | 1 868 | 1 868 |
| Commonwealth | | 19 | 61 |
| Goods and services received free of charge | 3 | 340 | 299 |
| TOTAL INCOME | | 2 227 | 2 228 |
| EXPENSES | | | |
| Employee expenses | | 1 625 | 1 645 |
| Administrative expenses | | | |
| Purchases of goods and services | 4 | 211 | 235 |
| Repairs and maintenance | | 3 | - |
| Property management | | 17 | 18 |
| Depreciation and amortisation | 7 | 58 | 16 |
| Other administrative expenses ¹ | | 340 | 299 |
| TOTAL EXPENSES | | 2 253 | 2 213 |
| NET DEFICIT | | (26) | 15 |
| COMPREHENSIVE RESULT | | (26) | 15 |

¹ Includes DCIS service charges.

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

OMBUDSMAN FOR THE NT
BALANCE SHEET
As at 30 June 2013

| | Note | 2013 \$000 | 2012 \$000 |
|--------------------------------------|------|---------------|---------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and deposits | 5 | 427 | 389 |
| Receivables | 6 | 2 | 9 |
| Prepayments | | 5 | - |
| Total Current Assets | | 433 | 398 |
| Non-Current Assets | | | |
| Property, plant and equipment | 7 | 225 | 283 |
| Total Non-Current Assets | | 225 | 283 |
| TOTAL ASSETS | | 658 | 681 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Payables | 8 | 40 | 67 |
| Provisions | 9 | 200 | 174 |
| Total Current Liabilities | | 240 | 241 |
| Non-Current Liabilities | | | |
| Provisions | 9 | 49 | 54 |
| Total Non-Current Liabilities | | 49 | 54 |
| TOTAL LIABILITIES | | 289 | 296 |
| NET ASSETS | | 369 | 385 |
| EQUITY | | | |
| Capital | | 346 | 336 |
| Accumulated funds | | 22 | 49 |
| TOTAL EQUITY | | 369 | 385 |

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

**OMBUDSMAN FOR THE NT
STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2013

| | Equity at 1 July | Comprehensive result | Transactions with owners in their capacity as owners | Equity at 30 June |
|--|---------------------|-------------------------|--|----------------------|
| Note | \$000 | \$000 | \$000 | \$000 |
| 2012-13 | | | | |
| Accumulated Funds | (49) | 26 | | (22) |
| Capital – Transactions with Owners | | | | |
| Equity injections | | | | |
| Capital appropriation | (573) | | | (573) |
| Equity transfers in | 346 | | | 346 |
| Other equity injections | (161) | | (10) | (171) |
| Equity withdrawals | | | | |
| Capital withdrawal | 52 | | | 52 |
| | (336) | | (10) | (346) |
| Total Equity at End of Financial Year | (385) | 26 | (10) | (369) |
| 2011-12 | | | | |
| Accumulated Funds | (34) | (15) | | (49) |
| Capital – Transactions with Owners | | | | |
| Equity injections | | | | |
| Capital appropriation | (297) | | (276) | (573) |
| Equity transfers in | 346 | | | 346 |
| Other equity injections | (151) | | (10) | (161) |
| Equity withdrawals | | | | |
| Capital withdrawal | 52 | | | 52 |
| Total Equity at End of Financial Year | (84) | (15) | (286) | (385) |

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

OMBUDSMAN FOR THE NT
CASH FLOW STATEMENT
For the year ended 30 June 2013

| | Note | 2013 | 2012 |
|---|------|----------------|----------------|
| | | \$000 | \$000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating Receipts | | | |
| Appropriation | | | |
| Output | | 1 868 | 1 868 |
| Receipts from sales of goods and services | | 40 | 110 |
| Total Operating Receipts | | 1 908 | 1 978 |
| Operating Payments | | | |
| Payments to employees | | (1 605) | (1 670) |
| Payments for goods and services | | (275) | (335) |
| Total Operating Payments | | (1 880) | (2 005) |
| Net Cash From/(Used in) Operating Activities | 10 | 28 | (27) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investing Payments | | | |
| Purchases of assets | | | (265) |
| Total Investing Payments | | | (265) |
| Net Cash From/(Used in) Investing Activities | | | (265) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Financing Receipts | | | |
| Equity injections | | | |
| Capital appropriation | | | 276 |
| Other equity injections | | 10 | 10 |
| Total Financing Receipts | | 10 | 286 |
| Net Cash From/(Used in) Financing Activities | | 10 | 286 |
| Net increase/(decrease) in cash held | | 38 | (6) |
| Cash at beginning of financial year | | 389 | 395 |
| CASH AT END OF FINANCIAL YEAR | 5 | 427 | 389 |

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

OMBUDSMAN FOR THE NT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

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1. OBJECTIVES AND FUNDING

The Ombudsman's role is to receive, investigate and resolve complaints made about administrative action to which the *Ombudsman Act* applies and to foster excellence in public sector services.

The Ombudsman is predominantly funded by, and is dependent on the receipt of Parliamentary appropriations. The financial statements encompass all funds through which the agency controls resources to carry on its functions and deliver outputs.

Additional information in relation to the Ombudsman and its principal activities may be found in the Ombudsman's Annual Report.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires the Ombudsman for the NT to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements is to include:

- (i) a Certification of the Financial Statements;
- (ii) a Comprehensive Operating Statement;
- (iii) a Balance Sheet;
- (iv) a Statement of Changes in Equity;
- (v) a Cash Flow Statement; and
- (vi) applicable explanatory notes to the financial statements.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra-agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of the agency financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated.

b) Agency and Territory Items

The financial statements of the Ombudsman for the NT include income, expenses, assets, liabilities and equity over which the Ombudsman for the NT has control (Agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the Government's ownership interest in Government-controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the Government and managed by agencies on behalf of the Government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the agency's financial statements.

c) Comparatives

Where necessary, comparative information for the 2011-12 financial year has been reclassified to provide consistency with current year disclosures.

d) Presentation and Rounding of Amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

e) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2012-13 as a result of management decisions.

f) Accounting Judgments and Estimates

The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements. Notes that include significant judgments and estimates are:

- Employee Benefits – Note 2(r) and Note 9: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service.
- Depreciation and Amortisation – Note 2(j), Note 7: Property, Plant and Equipment.

g) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

h) Income Recognition

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

Grants and Other Contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the agency obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Appropriation

Output appropriation is the operating payment to each agency for the outputs they provide and is calculated as the net cost of agency outputs after taking into account funding from agency income. It does not include any allowance for major non-cash costs such as depreciation.

Revenue in respect of appropriations is recognised in the period in which the agency gains control of the funds.

Sale of Goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the agency retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the agency; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of Services

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

Interest Revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Goods and Services Received Free of Charge

Goods and services received free of charge are recognised as revenue when a fair value can be reliably determined and the resource would have been purchased if it had not been donated. Use of the resource is recognised as an expense.

Disposal of Assets

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Contributions of Assets

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised, unless otherwise determined by Government, as gains when the agency obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

i) Repairs and Maintenance Expense

Funding is received for repairs and maintenance works associated with agency assets as part of output revenue. Costs associated with repairs and maintenance works on agency assets are expensed as incurred.

j) Depreciation and Amortisation Expense

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

| | 2013 | 2012 |
|---------------------|----------|----------|
| Plant and Equipment | 10 years | 10 years |
| Computer Software | 6 years | 6 years |
| Intangibles | 3 years | 3 years |

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

k) Interest Expense

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

l) Cash and Deposits

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

m) Receivables

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful.

Accounts receivable are generally settled within 30 days.

n) Property, Plant and Equipment

Acquisitions

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10 000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

Complex Assets

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

Construction (Work in Progress)

As part of the financial management framework, the Department of Infrastructure is responsible for managing general government capital works projects on a whole of Government basis. Therefore

appropriation for all capital works is provided directly to the Department of Infrastructure and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the agency.

o) Revaluations and Impairment

Revaluation of Assets

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- land;
- buildings;
- infrastructure assets;
- heritage and cultural assets;
- biological assets; and
- intangibles.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arms-length transaction.

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

Impairment of Assets

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible agency assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the agency determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus.

p) Leased Assets

Leases under which the agency assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

Finance Leases

Finance leases are capitalised. A lease asset and lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

Operating Leases

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased

asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

q) Payables

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the agency. Accounts payable are normally settled within 30 days.

r) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within twelve months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after twelve months of the reporting date are measured at present value, calculated using the Government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements; and
- other types of employee benefits.

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of Government agencies, including Ombudsman for the NT and as such no long service leave liability is recognised in agency financial statements.

s) Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS);
- Commonwealth Superannuation Scheme (CSS); or
- non-government employee-nominated schemes for those employees commencing on or after 10 August 1999.

The agency makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in agency financial statements.

t) Contributions by and Distributions to Government

The agency may receive contributions from Government where the Government is acting as owner of the agency. Conversely, the agency may make distributions to Government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, Government. These designated contributions and distributions are treated by the agency as adjustments to equity.

The Statement of Changes in Equity provides additional information in relation to contributions by, and distributions to, Government.

u) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 12.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

| | 2013 \$000 | 2012 \$000 |
|--|---------------|---------------|
| 3. GOODS AND SERVICES RECEIVED FREE OF CHARGE | | |
| Corporate and information services | 340 | 299 |
| | 340 | 299 |
| 4. PURCHASES OF GOODS AND SERVICES | | |
| The net surplus/(deficit) has been arrived at after charging the following expenses: | | |
| Goods and services expenses: | | |
| Consultants ⁽¹⁾ | - | 7 |
| Advertising ⁽²⁾ | 6 | 1 |
| Marketing and promotion ⁽³⁾ | - | 1 |
| Document production | 6 | 7 |
| Legal expenses ⁽⁴⁾ | - | 3 |
| Recruitment ⁽⁵⁾ | 35 | 1 |
| Training and study | 14 | 26 |
| Official duty fares | 1 | 16 |
| Travelling allowance | 1 | 6 |
| Total goods and services expense | 62 | 67 |
| ⁽¹⁾ Includes marketing, promotion and IT consultants. | | |
| ⁽²⁾ Does not include recruitment, advertising or marketing and promotion advertising. | | |
| ⁽³⁾ Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category. | | |
| ⁽⁴⁾ Includes legal fees, claim and settlement costs. | | |
| ⁽⁵⁾ Includes recruitment-related advertising costs. | | |
| 5. CASH AND DEPOSITS | | |
| Cash on hand | 1 | 1 |
| Cash at bank | 426 | 388 |
| Total cash and deposits | 427 | 389 |
| 6. RECEIVABLES | | |
| Current | | |
| Accounts receivable | - | 2 |
| Less: Allowance for impairment losses | - | - |
| | - | 2 |
| GST receivables | 2 | 7 |
| Total Receivables | 2 | 9 |
| 7. PROPERTY, PLANT AND EQUIPMENT | | |
| Plant and Equipment | | |
| At fair value | 72 | 72 |
| Less: Accumulated depreciation | (72) | (59) |
| | - | 13 |
| Computer Software | | |
| At cost | 400 | 400 |
| Less: Accumulated depreciation | (176) | (130) |
| | 224 | 270 |
| Leased Computer Software | | |
| At cost | 9 | 9 |
| | - | - |
| Less: Accumulated depreciation | (9) | (9) |
| | 0 | 0 |
| Total property, plant and equipment | 225 | 283 |

PROPERTY, PLANT AND EQUIPMENT (continued)**2013 Property, Plant and Equipment Reconciliations**

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2012-13 is set out below:

| | Plant and Equipment | Computer Software | Total |
|---|------------------------|----------------------|------------|
| | \$000 | \$000 | \$000 |
| Carrying Amount as at 1 July 2012 | 13 | 270 | 283 |
| Additions | | | |
| Disposals | | | |
| Depreciation / amortisation | (12) | (46) | (58) |
| Revaluation increments/(decrements) | | | |
| Other movements | | | |
| Carrying Amount as at 30 June 2013 | - | 224 | 225 |

2012 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2011-12 is set out below:

| | Plant and Equipment | Computer Software | Total |
|---|------------------------|----------------------|------------|
| | \$000 | \$000 | \$000 |
| Carrying Amount as at 1 July 2011 | 28 | 6 | 34 |
| Additions | (9) | 274 | 265 |
| Disposals | | | |
| Depreciation / amortisation | (6) | (10) | (16) |
| Revaluation increments/(decrements) | | | |
| Other movements | | | |
| Carrying Amount as at 30 June 2012 | 13 | 270 | 283 |

| | 2013 | 2012 |
|---|------------|------------|
| | \$000 | \$000 |
| 8. PAYABLES | | |
| Accounts payable | 5 | 29 |
| Accrued expenses | 35 | 39 |
| Other payables | | |
| Total Payables | 40 | 67 |
| 9. PROVISIONS | | |
| Current | | |
| <i>Employee benefits</i> | | |
| Recreation leave | 128 | 126 |
| Leave loading | 11 | 18 |
| Other employee benefits | 5 | 1 |
| <i>Other current provisions</i> | | |
| Other provisions (FBT, Payroll Tax, Superannuation) | 56 | 30 |
| | 200 | 174 |
| Non-Current | | |
| <i>Employee benefits</i> | | |
| Recreation leave | 49 | 54 |
| Total Provisions | 249 | 228 |

The Agency employed 13 employees as at 30 June 2013 (13 employees as at 30 June 2012).

10. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of Cash

The total of agency 'Cash and deposits' recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

Reconciliation of Net Surplus/(Deficit) to Net Cash from Operating Activities

| | | |
|--|-----------|-------------|
| Net Surplus/(Deficit) | (26) | 15 |
| <i>Non-cash items:</i> | | |
| Depreciation and amortisation | 58 | 16 |
| <i>Changes in assets and liabilities:</i> | | |
| Decrease/(Increase) in receivables | 7 | 6 |
| Decrease/(Increase) in prepayments | (5) | 2 |
| (Decrease)/Increase in payables | (27) | (34) |
| (Decrease)/Increase in provision for employee benefits | (5) | 1 |
| (Decrease)/Increase in other provisions | 26 | (32) |
| Net Cash from Operating Activities | 28 | (27) |

11. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by the Ombudsman for the NT include cash and deposits, receivables, payables and finance leases.

The Ombudsman for the NT has limited exposure to financial risks as discussed below.

a) Credit Risk

The agency has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the agency has adopted a policy of only dealing with credit worthy organisations.

Receivables

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and aging analysis of receivables is presented below.

| External Receivables | Aging of | Aging of | Net |
|-------------------------------|-------------|----------|-------------|
| | Receivables | Impaired | Receivables |
| | \$000 | \$000 | \$000 |
| 2012-13 | | | |
| Not overdue | 2 | | 2 |
| Total | 2 | | 2 |
| 2011-12 | | | |
| Not overdue | 7 | | 7 |
| Overdue for less than 30 days | 2 | | 2 |
| Total | 9 | | 9 |

b) Liquidity Risk

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

c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

(i) Interest Rate Risk

The Ombudsman for the NT is not exposed to interest rate risk as agency financial assets and financial liabilities, with the exception of finance leases are non-interest bearing. Finance lease arrangements are established on a fixed interest rate and as such do not expose the Ombudsman for the NT to interest rate risk.

(ii) Price Risk

The Ombudsman for the NT is not exposed to price risk as the agency does not hold units in unit trusts.

(iii) Currency Risk

The Ombudsman for the NT is not exposed to currency risk as the agency does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

12. COMMITMENTS

(ii) Operating Lease Commitments

The agency leases property under non-cancellable operating leases expiring from 3 to 4 years. Leases generally provide the agency with a right of renewal at which time all lease terms are renegotiated. Future operating lease commitments not recognised as liabilities are payable as follows:

Within one year

Later than one year and not later than five years

| | 2013 | 2012 |
|--|-----------|-----------|
| | External | External |
| | \$000 | \$000 |
| | 7 | 8 |
| | 5 | 6 |
| | 12 | 15 |

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Ombudsman for the NT had no contingent liabilities or contingent assets as at 30 June 2013 or 30 June 2012.

14. EVENTS SUBSEQUENT TO BALANCE DATE

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

15. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS

The Ombudsman for the NT had no write-off's postponements or waivers as at 30 June 2013 or 30 June 2012.

HOW TO CONTACT THE OMBUDSMAN

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