

## PROACTIVE PROJECTS

To address the increasing volume of complaints we receive and target our resources more effectively, we are increasingly moving our focus from dealing with individual complaints to examining systemic issues — so we can try to prevent problems before they occur. This involves taking a proactive approach to gathering information about the quality of services being provided to the public, particularly those that help some of the most vulnerable members of our community.

Some of our proactive work in 2006–07 has focused on children, people with a disability, Aboriginal people, victims of domestic violence, complaint-handling systems and customer satisfaction.

By identifying areas for systemic improvement and making recommendations for change, our work contributes significantly to the achievement of NSW State Plan priorities. For example, our child protection audits — as well as our monitoring, research and training work — help to reduce child abuse and neglect and emphasise the importance of early intervention and preventative measures. Similarly, our reviewable death work allows us to make recommendations to improve the future provision of government services to children at risk.

A key priority of the State Plan is to measure, report on and improve customer satisfaction with government services. Our work helps government agencies to meet these objectives. For example, we monitor customer satisfaction by conducting ‘mystery shopper’ audits. These audits assess the provision of customer service, identify deficiencies and make recommendations for improvement. This year we audited the Department of Ageing, Disability and Home Care’s customer service provision.

The State Plan also commits government agencies to ensuring their complaint-handling procedures satisfy our guidelines on complaint-handling. We are currently surveying 350 government departments, authorities and local councils about their complaint-handling systems to build a comprehensive picture about the extent to which this objective is being met.

TO ADDRESS THE INCREASING VOLUME OF COMPLAINTS WE RECEIVE AND TARGET OUR RESOURCES MORE EFFECTIVELY, WE ARE INCREASINGLY MOVING OUR FOCUS FROM DEALING WITH INDIVIDUAL COMPLAINTS TO EXAMINING SYSTEMIC ISSUES — SO WE CAN TRY TO PREVENT PROBLEMS BEFORE THEY OCCUR.

We assist organisations within our jurisdiction to develop and publish service standards and statements of values that are consistent with our guidelines on good public administration. This year we published *Apologies* — a practical guide to help agencies to respond appropriately in situations calling for an apology. Apologies can be an effective way of addressing the needs of people who have been aggrieved. If a mistake or error has led to harm, complainants often see an appropriate apology as a prerequisite for — and a vital part of — the proper resolution of their complaint.

Figure 6 shows the diversity of our proactive work.

A KEY PRIORITY OF THE STATE PLAN IS TO MEASURE, REPORT ON AND IMPROVE CUSTOMER SATISFACTION WITH GOVERNMENT SERVICES.

WE ASSIST ORGANISATIONS WITHIN OUR JURISDICTION TO DEVELOP AND PUBLISH SERVICE STANDARDS AND STATEMENTS OF VALUES THAT ARE CONSISTENT WITH OUR GUIDELINES ON GOOD PUBLIC ADMINISTRATION.

## Proactive projects

fig 6

Project	What we did
Mystery shopper audits	Audited the Department of Ageing, Disability and Home Care's customer service provision.
Unreasonable complainant conduct	Developed a framework and training for better handling of unreasonable conduct by complainants.
School expulsions and suspensions	Commenced investigating the implementation of the Department of Education's policies and procedures for suspending and expelling students.
Support to foster carers of Aboriginal children	Researched the adequacy of supports provided to foster carers of Aboriginal children.
Policing domestic violence	Investigated the effectiveness of the policing of domestic violence, resulting in 44 recommendations for improvement.
Correctional and juvenile justice centre visits	Visited 28 out of 31 correctional centres and all juvenile justice centres in NSW.
Child exploitation and telecommunications research project	Conducted research to increase our knowledge about an emerging area of child exploitation.
Under 5's review	Reviewed the circumstances and progress of 50 children in the statutory out-of-home care system.
Reviewable deaths	Reviewed the deaths of 221 people and made recommendations for systemic improvements to prevent further deaths.
Supported Accommodation Assistance Program (SAAP) monitoring	Monitored the progress of the recommendations of our 2004 special report to Parliament on <i>Assisting homeless people — the need to improve their access to accommodation and support services</i> by surveying SAAP providers and interviewing key stakeholders.
Complaint-handling reviews	Reviewed the complaint-handling systems of 350 agencies within our jurisdiction.
Compliance audits	Regularly audited how police handled less serious complaints that are not routinely notified to our office, and scrutinised the systems agencies have for protecting children and responding to reportable allegations.
NSW Police Force <i>Aboriginal Strategic Direction</i> audits	Comprehensively audited the implementation by police local area commands of the ASD — involving consultation with Aboriginal community members, service providers and other organisations.
Anonymous complaints	We reviewed anonymous police complaints to demonstrate their value in identifying and remedying misconduct.
Youth monitor project	Monitored 19 complaints about police to improve the interviewing of young people and determine whether our monitoring leads to better outcomes for complainants and police.
Publishing guidelines	Prepared user-friendly material about good administrative practices — such as guidelines on giving apologies and complaint-handling in universities.
Presentations and training sessions	Provided over 117 presentations and delivered over 134 training sessions to more than 7,600 staff of agencies and consumers of community services.



Publishing guidelines



## REFORM

### Feedback on policies and guidelines

Our 30 years of experience in public administration, complaint-handling and service provision enables us to make constructive contributions to a range of policy discussions. During 2006–07 we provided comments and feedback to the following agencies about their draft policy documents and guidelines:

- Local Government Managers of Australia Privacy Working Group — about their model access to information policy and guidelines and delegation of authority under the Freedom of Information Act
- Department of Education and Training — about their complaint policies and procedures, new draft categories for making findings about reportable allegations, amendments to regulations for managing behavioural issues with students and draft guidelines for managing conduct and performance
- Mental Health Coordinating Council — about freedom of information and the role of the Ombudsman for the Mental Health Rights Manual
- NSW Housing Appeals Committee — about complaints we received about the committee for their review
- Department of Housing — about their appeals and reviews of decisions, policies and procedures
- Building Professionals Board — about the role of councils when they are not the principal certifying authority
- Muswellbrook Council — about their model internal reporting policy for protected disclosures
- NSW Police Force (NSWPF) — about their Commander's Standing Direction (close personal relationships policy), the review of their handling of less serious complaints, the *Aboriginal Strategic Direction 2007–2011* and their inquiry into sexual harassment and sex discrimination in the NSWPF
- Commission for Children and Young People — about their working with children guidelines for employers, working with children operator guidelines for approved screening agencies, and their draft class or kind determination with NSWPF
- RailCorp and Lifetime Care Authority — about the development of their child protection policies and procedures.

The following agencies asked for our feedback on their policies for preventing and responding to reportable allegations:

- Lovely Caring Services — agency providing substitute residential care for children
- Life Without Barriers — agency providing substitute residential care for children
- ABC Developmental Learning Centres Pty Ltd — licensed child care service
- Hunter New England Area Health Service
- Office of the Department of Public Prosecutions.

OUR 30 YEARS OF EXPERIENCE IN PUBLIC ADMINISTRATION, COMPLAINT–HANDLING AND SERVICE PROVISION ENABLES US TO MAKE CONSTRUCTIVE CONTRIBUTIONS TO A RANGE OF POLICY DISCUSSIONS.

## IN 2006–07 WE MADE SUBMISSIONS TO THE PARLIAMENTARY COMMITTEE ON THE OFFICE OF THE OMBUDSMAN AND THE POLICE INTEGRITY COMMISSION TEN YEAR REVIEW OF THE POLICE OVERSIGHT SYSTEM IN NSW.

### Submissions

In 2006–07 we made submissions to the:

- Legislative Assembly Standing Committee on Privilege and Ethics inquiry into changes to pecuniary interest regulations and code of conduct
- Parliamentary Committee on the Office of the Ombudsman and the Police Integrity Commission ten year review of the police oversight system in NSW
- Parliamentary Committee inquiry into NSW police counter-terrorism and other powers
- Commonwealth Attorney General on the exposure draft of the Telecommunications (Interception and Access) Bill (Cth)
- NSW Government review of the *Children and Young Persons (Care and Protection) Act 1998*
- Attorney General's Department on the draft Surveillance Bill.

### Our legislative review role

#### Current legislative reviews

Since 1998, Parliament has asked the Ombudsman to review the implementation of over 20 new laws conferring additional powers on police and other agencies. We do this by checking that the new laws are being exercised properly, fairly and effectively by the agencies responsible. See Appendix B for a list of our legislative review activities in 2006–07.

We have nine current or pending legislative reviews of laws conferring new police powers. Four of these are discussed in this section.

In December 2005, Parliament added a new part to the *Law Enforcement (Powers and Responsibilities) Act 2002* to provide police with emergency powers to deal with actual or threatened large-scale public disorder. These emergency powers were enacted against a backdrop of unprecedented public disorder in the Sydney beachside suburb of Cronulla on 11 December 2005. The laws allow police to prohibit the sale of alcohol, set up roadblocks, search vehicles and their occupants, require proof of identity and seize and detain vehicles and mobile phones.

Our December 2006 issues paper prompted 25 responses from a range of government agencies, community groups and private individuals. We have reviewed extensive police holdings and conducted interviews with police and people affected by the new laws. Our report was provided to government in September 2007.

In 2005, Parliament also added two new parts to the *Terrorism (Police Powers) Act 2002*. Part 2A — the preventative detention powers — provides for a person to be detained by court order for up to 14 days to prevent, or preserve evidence of, a terrorist act. Part 3 allows police and Crime Commission staff to carry out covert search warrants if this would substantially assist in preventing or responding to a terrorist act. There has been significant interest in this review. We received over 30 submissions from government agencies, interested organisations and members of the public in response to our April 2007 issues paper and we are currently preparing our final report on these powers.

#### Results of our reviews

Last year, we began systematically monitoring the implementation of the recommendations in our legislative review reports. This year, we examined the implementation of 117 recommendations involving changes to operational policing practice. We found that police have implemented — or are in the process of implementing — 92 or 79% of the recommendations examined.

In addition, we note the Attorney General's Department has recommended that the provisions in relation to internally concealed drugs should be repealed. This was the main recommendation of our legislative review of the *Police Powers (Internally Concealed Drugs) Act 2001*, tabled in Parliament in November 2005.

We have also been monitoring the implementation of recommendations made to other NSW government agencies. In 2006–07, we made 28 procedural recommendations to the Department of Corrective Services — 22 or 78.5% of these have been implemented or are in the process of being implemented. The Department of Juvenile Justice has implemented one of our two recommendations and we are still waiting for a response from the Judicial Commission in relation to one recommendation.

## Review of DNA sampling and other forensic procedures

In October 2006, we reported to the Attorney General on the second part of our review of the *Crimes (Forensic Procedures) Act 2000* (the Act) concerning DNA sampling and other forensic procedures conducted on suspects and volunteers.

More than 10,000 of these forensic procedures were conducted during the review period. We found that most were carried out lawfully and professionally, but we did identify a number of issues of concern. For example:

- The complexity of the legislation makes it difficult for police officers to comply with their obligations. It is also difficult for suspects and volunteers to understand the information police provide about forensic procedures.
- Some DNA samples were taken in breach of the Act, and others that were taken lawfully were retained in breach of the Act.
- DNA records are not always accurate and mistakes have led to people being wrongfully charged and convicted.
- The DNA laboratory cannot meet the police demand for DNA analysis, and the future provision of DNA analysis services in NSW is unclear.

We made over 100 recommendations to provide solutions to many of these problems and are monitoring the implementation of these recommendations.

The NSW Government has announced it will spend an extra \$22.7 million on DNA testing over the next four years. A number of amendments to the Act also came into force in 2007. DNA sampling of convicted offenders — whose DNA profiles are not already on the database, but who have been charged with a further indictable offence — is now permitted. Police are now no longer required to record on video the taking of non-intimate photographs. Suspects who are cooperative, but provide DNA by order rather than by consent, are permitted to provide the sample by self-administered saliva swab — instead of having a police officer take a hair sample. The Act has also been amended to enable NSW to participate in the national DNA database.

## Drug detection dogs

In September 2006, the Attorney General tabled our review of the *Police Powers (Drug Detection Dogs) Act* — the Drug Dogs Act. This Act allows police to use ‘sniffer dogs’ in a wide range of circumstances — including on train services, at licensed premises and in public places if a warrant is granted. Our two year review attracted unprecedented community attention — 57 submissions and 50 complaints were received by our office.

During the two year review period, 17 drug detection dogs made 10,211 ‘indications’ during police operations. Almost all of these resulted in a person being searched. Prohibited drugs (mostly cannabis) were located in only 26% of these searches. In almost three-quarters of searches, no drugs were found. These findings cast doubt on whether police can rely only on a drug dog indication to search a person for prohibited drugs.

Nineteen people were successfully prosecuted for drug supply, but only three of these received custodial sentences. Despite the investment of hundreds of thousands of dollars, the drug detection dogs were not effective in detecting drug suppliers.

Our review made 55 recommendations, most of which are supported by police. These included recommendations to:

- improve the privacy of searches and increase the information provided to people who are searched
- make fairer police records about people if no drugs are found after an indication
- publish annual information about police use of drug detection dogs and the outcomes of operations
- reduce the impact of police operations on harm minimisation strategies
- improve training for drug detection dogs.

However, even with these improvements, we have significant misgivings about whether the Drug Dogs Act will ever equip police with a fair and cost effective tool to target drug supply. We therefore recommended that consideration be given to whether the Act should be retained at all.

## 1. CORPORATE GOVERNANCE



We aim to be an effective organisation. One way to achieve this is by developing, implementing and maintaining a robust system of corporate governance. This also provides assurance to the Parliament, government and the public that we are using our resources appropriately and achieving our stated outcomes.

We pride ourselves on the quality of our work and the standard of our service. Our governance framework brings together policies, systems and processes that promote accountability, transparency and ethical practices. As an independent and impartial oversight agency, we are responsible for ensuring that the organisations within our jurisdiction fulfil their functions properly. We do our best to make sure we 'practice what we preach' and work to the same standards of good administration that we promote.

### Statement of responsibility

The Ombudsman, senior management and other staff have put in place an internal and external control process designed to provide reasonable assurance about the achievement of the office's objectives. The Ombudsman, Deputy Ombudsmen, each Assistant Ombudsman and the Manager Corporate assess these controls.

To the best of my knowledge, the systems of internal control have operated satisfactorily during the year.

A handwritten signature in black ink, appearing to read 'B. A. Barbour'.

Bruce Barbour  
Ombudsman

### Our corporate plan

Our vision is to see fair, accountable and responsive administrative practice and service delivery in NSW. We work to promote good conduct, fair decision-making, the protection of rights and the provision of quality services. Our corporate plan sets out the direction for what we do and outlines the goals and strategies that will support our vision. It consists of a statement of corporate purpose and the strategic plans for each of our business units. The statement groups our work under four purposes — the first and second relate to our core work, the third is about working with similar agencies to promote professional work practices and improve our service and the fourth deals with our office as an effective organisation. Each business unit develops their own business plan to align their activities with our overall strategic direction. These plans guide the day-to-day work of our staff.

### Accountability

We are answerable to Parliament through the Parliamentary Joint Committee on the Office of the Ombudsman and the Police Integrity Commission (the PJC). This ensures we are accountable to Parliament rather than the government of the day and is crucial to our independence.

We are also accountable to the public in much the same way as any other NSW public sector agency. We come under the scrutiny of agencies such as the Auditor-General, the Independent Commission Against Corruption, the Privacy Commissioner, the Anti-Discrimination Board, State Records and NSW Treasury. We are required to provide an annual report for our office, as well as a number of other annual reports on specialised areas of our work such as reviewable deaths. These provide Parliament and the community with information about what we have achieved during the year.

We provide each complainant with reasons for our decisions, especially if we refuse to investigate or conciliate their complaint or we discontinue an investigation. Complainants can ask for a review of our decision if they disagree.

### Performance statement

To retain the independence of the Ombudsman, the position is not responsible to an individual Minister. Instead the Ombudsman appears before the PJC to answer questions about the performance of our office.

# Purpose 1

## Help organisations meet their obligations and responsibilities and promote and assist the improvement of their service delivery

### Goals

- Review and report on the service, systems and conduct of agencies.
- Monitor and report on compliance with legislative obligations and responsibilities.
- Make recommendations and suggestions for agency improvements and/or for improving the circumstances of individuals.
- Promote best practice standards for agency service delivery and good conduct.
- Provide training in delivery of service, good conduct and the rights of consumers to quality services.

### Performance 2006–07

- Completed 56 direct investigations into issues such as policing practices, systems for the care and protection of children and people with a disability, accommodation support for people with complex needs and systems within correctional centres.
- Tabled two special reports in Parliament about domestic violence and misconduct at the Police College.
- Six legislative review reports tabled — on drug detection dogs, drug detection in border areas trial, firearms and explosive detections dogs, DNA and other forensic procedures on suspects and volunteers, the transfer of juvenile justice detainees to adult correctional facilities and increased correctional powers.
- Completed a comprehensive four-year audit program of the NSW Police Force's implementation of their *Aboriginal Strategic Direction* — which involved 36 audits and consultation with more than 3,500 Aboriginal people from over 90 communities, representatives from over 400 agencies and services, and specialist police in each location.
- Reviewed the deaths of 221 people with disabilities, children and young people who died in 2006.
- Started reviews into the circumstances of 50 children under five years in statutory care and the adequacy of support provided to foster carers of Aboriginal children.
- Presented our 2005 annual report on reviewable disability and child deaths to Parliament — which included 62 recommendations for systemic and procedural change.
- Released a range of publications about good administrative and complaint-handling practice — including *Complaint Handling at Universities: Best Practice Guidelines*, *Apologies: a practical guide*, and *Child Protection in the Workplace Guidelines*. On average, approximately 40,000 documents are downloaded from our website each month.
- Gave 251 presentations, speeches and training sessions to more than 7600 people — including 450 community service managers, staff and people receiving community services.
- Held 22 forums about legislative obligations around reportable child protection allegations.

### Future plans

- Finalise legislative reviews of terrorism powers (preventative detention and covert search warrants) and emergency powers to prevent or control public disorder.

- Issue joint FOI guidelines with the Department of Premier and Cabinet.
- Develop and distribute updated guidelines on dealing with unreasonable complainant conduct and responding to allegations against employees.
- Monitor the implementation of our recommendations about legislative reviews, police pursuits, domestic violence and the provision of community services.
- Develop and implement a new audit strategy for the NSW Police Force *Aboriginal Strategic Direction* (2007–2011).
- Finalise our reviews into the circumstances of children under five years in statutory care and the adequacy of support provided to foster carers of Aboriginal children.

## Purpose 2

### Deal effectively and fairly with complaints and work with organisations to improve their complaint-handling systems

#### Goals

- Implement and promote best practice investigation and complaint-handling methodologies within our office.
- Use client feedback to improve our work.
- Implement and promote best practice investigation and complaint-handling methodologies in agencies we oversight.
- Help achieve redress for justified complaints.
- Identify systemic causes of complaints and propose solutions.

#### Performance 2006–07

- In 1,406 formal complaints we handled about public sector and community service agencies, the agency concerned took action including changing their decision, making an apology, correcting errors, and amending their policy or guidelines.
- Coordinated 3,164 visits by official community visitors to 1,230 services — they identified 2,898 issues of concern and 74% of the 1,643 issues finalised this year were resolved.
- Travelled to 57 regional towns and communities throughout NSW to visit correctional and juvenile justice centres, audit agency systems, provide training and examine the quality of the services provided to Aboriginal communities.
- Engaged an external contractor to survey community service complainants, peak and advocacy bodies and official community visitors to check their satisfaction with our services and surveyed 114 callers to our inquiries section about their experience of our service.
- Surveyed 350 departments and authorities, including local councils, about their complaint-handling systems and reviewed the complaint-handling systems of 20 family support services.
- Developed a new 'class or kind' agreement to accommodate legislative changes to streamline police complaint classification and notification requirements, and examined 1,600 police records across five local area commands.
- Comprehensively audited a number of agencies' child protection systems for preventing reportable conduct and responding to reportable allegations against employees.
- Delivered 51 training workshops on complaint-handling and negotiation skills for front-line staff and how to deal with difficult complainants.
- Developed internal guidelines for dealing with youth complaints and delivered a training package to our staff.

#### Future plans

- Finalise our reviews into the complaint-handling systems of 350 departments and authorities.



- Check the effectiveness of new streamlined complaint-handling procedures for less serious police complaints.
- Review guidelines to help agencies follow best practice when investigating reportable child protection allegations.
- Adapt and publish our youth complaint-handling guidelines so other agencies and oversight bodies can use them.

# Purpose 3

## Be a leading watchdog agency

### Goals

- Create positive relationships and work collaboratively with other Ombudsman and watchdog agencies.
- Promote professional work practices with other Ombudsman and watchdog agencies.
- Continuously improve our work practices.

### Performance 2006–07

- Developed and trialled a national framework for handling unreasonable conduct by complainants and trained over 300 Ombudsman staff nationally in this new approach.
- Became a partner in a three-year AusAID project to support the National Ombudsman Commission of Indonesia and provided technical consultancy services to the Indonesian Australian Ombudsman Linkages and Strengthening Project funded by the Commonwealth Government Partnership Fund.
- Co-hosted with the Commonwealth Ombudsman the monitoring and review meeting of the South Pacific Ombudsman Network.
- Continued our involvement in The Whistling While They Work Project. Our Deputy Ombudsman is a member of the project team. Seven surveys will be conducted nationally across 2005–2007. Data analysis is currently being undertaken on the 2005 survey about agency practice and procedure.
- Held a two-day workshop for secure monitoring inspecting authorities to compare methodologies and learn about new developments.
- Our Complaint Handler's Toolkit guidelines were used in the development of the 2006 United Nations Development Program (UNDP) publication *Guide for Ombudsman Institutions: How to conduct investigations* produced by the Democratic Governance group at the UNDP Regional Centre for Europe and the Commonwealth of Independent States.
- Participated in the steering committee to establish the International Network for the Independent Oversight of Police.
- Hosted the 6th National Investigations Symposium which attracted over 230 investigators from across Australia.
- Established a working group aimed at reviewing our performance measures to improve the consistency of how we record and report on performance and ensure consistent reporting across each business unit.
- Integrated community services complaint processes into our existing case management system, and streamlined our police complaint information systems.

### Future plans

- Host a meeting of the Board of the International Ombudsman Institute in November 2007.
- Complete our trial of new management approaches to unreasonable complainant conduct and provide follow-up training for Ombudsman staff in every state.
- Support capacity building for Ombudsman in Indonesia and the South Pacific by continuing to provide consultancy services to AusAID programs.

- Develop a consistent set of performance measures for reporting against each operational area. These changes will be effective from 1 July 2008.
- Review our statement of corporate purpose and related business plans for 2008-2010.

# Purpose 4

## Be an effective organisation

### Goals

- Have appropriate structures, policies and systems to support and enhance our service delivery.
- Attract, develop, support and encourage skilled and committed staff.
- Capture, use and share information and knowledge to support and enhance our service delivery.
- Be an effective public sector agency that complies with applicable laws and policies and is accountable and transparent for our actions and decisions.

### Performance 2006-07

- Created the cross agency team within our existing resources. The team — which includes our Aboriginal Unit and youth liaison officer — provides expert advice to staff about Aboriginal, youth and whole of government issues and leads major investigations and projects that cross the jurisdictions of our various operational areas.
- Established several senior management positions to provide strategic advice and better identify systemic issues across departments and authorities.
- Restructured our corporate division to improve our internal budget/expenditure planning, monitoring and reporting, workload management and project management.
- Engaged an independent contractor to develop data classification systems to better record and report on disability and out-of-home care issues identified by official community visitors.
- Introduced a multifaceted office-wide training program that included coordinated induction sessions, skills for supervisors, job specific training and in-house workshops held by external training providers.
- Created a number of new policies, including our maintenance of legal advice policies.
- Revised our policies for accounts payable, access control, computer systems backup and monitoring, user password, risk assessment, information security, assets, disclosure of information and internal reporting to better identify and manage potential risk.
- Developed a new acknowledgement letter to help us to better manage complainants' expectations, ensure we distribute resources fairly between complainants and improve the quality of information provided to us.
- Implemented new education and training strategies to promote our work in the community services area — including regular articles and reports about our activities, projects and significant service issues in sector newsletters and other media — and increased our presentations and participation in community events.
- Achieved accreditation under the International Information Security Standard ISO/IEC 27001 in 2007.
- Received a bronze award for our 2005–06 annual report at the Australasian Annual Report awards.

### Future plans

- Conduct a formal evaluation of the cross agency team.
- Provide opportunities for staff to participate in training and cross agency projects.
- Deliver ongoing supervisor and investigation training programs, implement our leadership development program for senior staff and our Aboriginal cultural awareness training package for all staff.
- Pilot our new data classification systems to better record and report on disability and out-of-home care issues identified by official community visitors.

## Monitoring our performance

### Tracking performance

As our work involves a wide range of jurisdictions and legislation, one of the challenges we face is to develop appropriate measures to capture the impact and effectiveness of what we do. We have developed performance indicators to help us measure efficiency at corporate, team and individual staff levels.

We track our performance in relation to individual files as well as our systems and structures for completing work. In particular, we look at the timeliness and quality of our decision-making. We set performance benchmarks for file turnaround times and monitor our workflow to identify where there may be backlogs, delays or inefficiencies. We also regularly review all files that have been open for more than six months and conduct internal audits of file handling.

We continually review our work and use the results to improve our performance evaluation systems. This year we reviewed our performance indicators to improve the consistency of how we record and report on performance across all our business units. These changes will be effective from 1 July 2008, and will better capture the value that we add to the provision of government services.

### Managing risk

Our statutory officers are responsible for identifying and measuring risk and developing mitigation strategies for our core business-related activities. The work of individual staff is monitored through supervision sessions and feedback against team benchmarks. Regular meetings are held to monitor the status and progress of work, identify significant issues, and address any identified risks in handling matters. Internal quality audits of complaint assessment and investigation oversight are completed each year and individual complaints or projects are identified for more intensive case management.

Team managers, office-wide committees, issues groups and core business units meet regularly to discuss new developments, share information, and reinforce policies or management direction. The Ombudsman and senior staff meet weekly to review the progress of work, exchange information and discuss any issues of concern. Each core business unit holds an annual planning day at which the previous year's performance is reviewed and strategies are identified to support our corporate purposes in the coming year.

We have identified three main risk categories for our office. These are:

- Damage to the credibility of our work or to our reputation

We rely on our reputation for maintaining high standards in administrative conduct and focusing on practical outcomes as it helps ensure that agencies accept our advice and implement our recommendations. We continually monitor our performance to ensure our work is of a high standard. We develop relationships with agencies to make sure we understand the environment in which they operate. This helps us to provide practical solutions to the issues we identify.

- Increasing complaint levels

To address the increasing volume of complaints to our office, our focus continues to be on addressing systemic issues. We have also negotiated 'class or kind' agreements with a number of agencies to reduce the number of matters they have to notify to us, developed training courses to help agencies improve their complaint-handling performance, and published guidelines on topics such as good public administration and giving apologies.

We will continue to respond to complaints raising serious issues about the quality of care within the community services sector and for other highly vulnerable consumers.

- Unauthorised disclosure of information

Our work is subject to the secrecy provisions of the Ombudsman Act and the other legislation under which we operate. We understand that the inappropriate or unauthorised disclosure of information can have a detrimental impact on an individual, organisation or Minister. It can also negatively impact on the credibility of our office and reduce our effectiveness.

We also have programs to manage risk in areas such as information security, occupational health and safety (OH&S), business continuity planning, accounting, leave management and payroll. We are subject to independent reviews of some of our risk management practices. For example, our accounting, personnel and payroll activities and our information security program are audited annually.

This year we reviewed our OH&S program and conducted a formal assessment of our OH&S risks. At the time of writing, treatment plans are being developed to address those risks rated high.

### Security accreditation

We have procedures in place to manage the physical security of our staff and our office, the security of the confidential information we hold, and the integrity of our information technology systems.

We handle an enormous amount of information about individuals and organisations within our jurisdiction — much of which is sensitive or confidential — so it is essential that we effectively manage any risks to our

information security systems. This year we identified four main information security risks. They are the:

- unauthorised/inappropriate release or disclosure of information held by our office
- unauthorised/inappropriate access to agency data bases to which we have access
- total destruction of business information that is important for our ongoing operations and which cannot be reconstructed from other sources
- inability to comply with statutory or contractual obligations.

We conducted formal risk assessments of a number of security-related policies and implemented changes to our processes following these assessments. We also started a formal training program for new staff that outlines staff responsibilities for information security.

We were accredited under the Australian Information Security Standard AS7799 in December 2002, to AS7799.2 in December 2005 and to the International Information Security Standard ISO/IEC 27001 in 2007.

We also have in place corruption prevention and fraud control measures, disaster recovery plans and preventative maintenance programs for our equipment. There are vigorous checks and balances in areas of high risk such as those where money, staff entitlements or our computer network could be compromised.

## Improving our structure and systems

### Introducing the cross agency team

In March 2007 we began trialling a new cross agency team (CAT) from within our existing resources.

We needed to have a flexible structure capable of responding to emerging whole of government, multi-agency or across office issues — particularly those that affect some of the more vulnerable sections of the community.

The team — which includes our Aboriginal Unit and youth liaison officer — provides expert advice to staff and leads major investigations and projects that cross the jurisdictions of our various operational areas. Since its inception, the CAT has been responsible for monitoring the implementation of recommendations from our 2006 special report to Parliament about the policing of domestic violence, and continuing our audits of the implementation of the *Aboriginal Strategic Direction* by police local area commands. They are also undertaking a project about the adequacy of support to foster carers of Aboriginal children, have a number of 'watching briefs' on issues such as youth at risk and housing support for people with high needs — and this year coordinated the production of our annual report.

## Making changes to how we work

During 2006–07 we made several other structural changes to improve how we work. These included:

- improving the police team's information systems to streamline work processes and maximise accessibility to information
- merging the corrections and secure monitoring units under one operational manager
- creating a new manager, projects and major investigations position to better identify systemic issues relating to departments and authorities
- enhancing decision-making structures to provide more timely allocation of complaints, earlier action on serious and significant complaints, and an increased complaint-handling capacity
- employing a project officer to work on complaint-handling review projects in our community services jurisdiction
- implementing new education and training strategies to enhance awareness about the work of our community services jurisdiction
- increasing staff numbers to support the official community visitors scheme
- engaging an external contractor to develop data classification systems to better record and report on disability and out-of-home care issues identified by official community visitors
- recording data using one common case management system to improve our performance reporting and monitoring
- restructuring roles and responsibilities in our corporate area to improve our internal budget and expenditure planning, monitoring and reporting as well as workload and project management.

This year we also created a number of new policies, including the maintenance of legal advice policies, and revised others to better identify and manage risks to our office.

## Balancing our books

Our financial statements provide an overview of the financial activities of our office during 2006–07 (see Financial statements on page 149). These statements, our supporting documentation and our systems and processes have all been reviewed by our own auditors and the NSW Audit Office. We have received an unqualified audit report.

Although we account for the funds we receive from the NSW Government on an office-wide basis — as reflected in our financials — we internally allocate them between our four business units or programs and our corporate division. However, the 'program statement — expenses and revenues' in the financial statements only identifies the four business units. This is because we distribute corporate division costs

**Net expenditure by program****fig 7**

Program	02/03 \$'000	03/04 \$'000	04/05 \$'000	05/06 \$'000	06/07 \$'000
Police	\$5,250	\$6,344	\$5,801	\$6,138	\$6,645
General	\$3,911	\$4,579	\$4,428	\$4,342	\$4,755
Child Protection	\$2,844	\$3,324	\$3,140	\$3,026	\$3,338
Community Services	\$3,024	\$5,586	\$5,505	\$5,518	\$6,115
<b>Total</b>	<b>\$15,029</b>	<b>\$19,833</b>	<b>\$18,874</b>	<b>\$19,024</b>	<b>\$20,853</b>

across these units to provide a more accurate overall cost of our work. Figure 7 shows our net expenditure over the last five years.

Our accounts section has the day-to-day responsibility for managing and reporting on our finances, including liaising with NSW Treasury and the Audit Office. This year we reviewed the roles and responsibilities of this section so that we could better focus on internal budgeting and reporting and improve our financial management services. Although changes are still being implemented, we have seen significant improvements — particularly with our expenditure reporting and forecasting.

**Revenue**

Most of our revenue comes from the government in the form of a consolidated fund appropriation that is used to meet both recurrent and capital expenditures. Consolidated funds are accounted for on the operating statement after the net cost of service is calculated to allow for the movement in accumulated funds to be determined for the year. The government also makes provision for certain employee entitlements such as long service leave.

Our initial 2006–07 recurrent consolidated fund allocation was \$19.654 million. A further \$63,000 was provided to cover start-up expenses for our review of a new police power. However, we did not use \$107,000 that had been allocated for the review of the *Crimes Legislation Amendment Act 2002* — detention during search warrant execution — as this new power had not yet come into operation. Our final allocation was \$19.610 million.

Funding for our reviews of the implementation of new police powers is included in our allocation. Details of the reviews can be found in our legislative review role at page 21 of this report. Figure 8 shows the

**Legislative reviews — amount provided over five years****fig 8**

2006/2007	\$1,073,000
2005/2006	\$633,000
2004/2005	\$432,570
2003/2004	\$751,000
2002/2003	\$758,000

amount provided for legislative reviews over the last five years. For 2007–08, \$1.193 million has been allocated for legislative review work. This represents 5.91% of our total recurrent allocation.

In 2006–07 we budgeted that the Crown Entity would accept \$1.104 million of employee benefits and other entitlements. However, the actual acceptance was about \$610,000. The difference was mostly due to NSW Treasury changing the method for calculating the long service leave liability. We did not correctly factor in this change when projecting our expenses and have had discussions with NSW Treasury about this.

We were allocated \$253,000 for our capital program. This was spent on upgrading our computer systems, purchasing new office equipment and updating and improving our fitout.

We generated \$177,000 through the sale of publications, bank interest, fee for service training courses and our consultancy services to AusAid. See figure 9.

**Revenue from other sources****fig 9**

Revenue*	
Workshops	\$70,000
Grants	\$0
Bank interest	\$66,000
Other revenue	\$32,000
Publication sales	\$9,000
<b>Total 2006–07</b>	<b>\$177,000</b>

**Total revenue****fig 10**

Revenue	
Government	
Recurrent appropriation	\$19,610,000
Capital appropriation	\$253,000
Acceptance of certain employee entitlements	\$610,000
<b>Total government</b>	<b>\$20,473,000</b>
From other sources	\$177,000
<b>Total 2006–07</b>	<b>\$20,650,000</b>

\* including capital funding and acceptance of employee entitlements

Figure 10 (previous page) provides a breakdown of our revenue, including capital funding and acceptance of employee entitlements.

## Expenses

Most of our revenue is spent on employee-related expenses. These include salaries, superannuation entitlements, long service leave and payroll tax. In 2006–07 we spent more than \$16.3 million — over 77.7% of our total expenditure — on employee-related expenses, an increase of 11.36% from 2005–06.

Salary increases awarded to public sector staff and the employment of additional staff for our legislative reviews led to a \$1.2 million or 10% increase in our salary expenses. Payroll tax-related expenses increased by over 11% and superannuation by 9.97%. Our workers compensation expenses increased by \$20,000 or 27.4% and long service leave expenses increased by \$186,000.

The day-to-day running of our office costs over \$4 million a year. Our other significant operating items are rent (\$1.7 million), fees (\$609,000), travel (\$421,000), maintenance (\$223,000) and training (\$222,000). During 2006–07, we engaged one contractor at a cost of \$27,250.

The financial statements show that \$647,000 was expended for depreciation and amortisation. Figure 11 shows our total expenses. We only spent \$253,000 on our capital program, meaning we had a decrease in our asset base.

### Total expenses fig 11

Expenses	
Employee-related	\$16,342,000
Depreciation and amortisation	\$647,000
Other operating expenses	\$223,000
Other	\$3,818,000
<b>Total 2006–07</b>	<b>\$21,030,000</b>

### Performance Indicator Accounts paid on time

Quarter	Target	% paid on time	Amount paid on time	Total amount paid
September 2006	98.00%	99.98%	\$4,607,200	\$4,608,193
December 2006	98.00%	100.00%	\$5,249,719	\$5,249,719
March 2007	98.00%	99.88%	\$4,652,881	\$4,658,474.00
June 2007	98.00%	99.79%	\$6,398,444	\$6,411,592.00
<b>Total</b>	<b>98.00%</b>	<b>99.91%</b>	<b>\$20,908,244.00</b>	<b>\$20,927,978.00</b>

Capital funding is shown on the operating statement, but capital expenditure is not treated as an expense — it is reflected on the balance sheet.

We have an accounts payable policy that requires us to pay accounts promptly and within the terms specified on the invoice. However, there are some instances where this may not be possible — for example, if we dispute an invoice or do not receive it with enough time to pay within the specified timeframe. We therefore aim to pay accounts within the specified timeframe 98% of the time. During 2006–07 we paid 99.91% of our accounts on time. This is a slight improvement in our performance from the previous year. We have not had to pay any penalty interest on outstanding accounts. (See Performance Indicator below).

## Assets

Our balance sheet shows that we had \$2.805 million in assets as at 30 June 2007. While the value of our current assets rose by \$54,000 from the previous year, the value of our non-current asset base decreased by \$394,000. This is an overall decrease of \$340,000 in our asset base.

Just over 43% of our assets are current assets, which are categorised as cash or receivables. Receivables are amounts owing to us and include bank interest that has accrued but not been received, fees for services that we have provided on a cost recovery basis, and GST to be recovered from the ATO. Also included in receivables are amounts that we have prepaid. We had \$457,000 in prepayment as at 30 June 2007. The most significant prepayments are rent and maintenance renewals for office equipment and software support.

Our cash balance includes a \$63,000 advance payment from the Commonwealth and other state Ombudsman to cover costs relating to developing guidelines and training Australian Ombudsman staff in dealing with unreasonable complainant conduct. We cannot use this cash for any other purpose, so it is classified as a 'restricted asset'.

Our non-current assets are valued at \$1.587 million and are categorised as:

- plant and equipment — this includes our network infrastructure, computers and laptops, fitout and office equipment
- intangible assets — this includes our network operating software and case management software.

We received \$253,000 in 2006–07 for asset purchases, which is reflected in our capital consolidated fund appropriation. We will receive \$300,000 in 2007–08.

## Liabilities

Our total liabilities as at 30 June 2007 were \$1.848 million, an increase of \$40,000 over the previous year. Nearly 78% of this amount is the provision we make for employee benefits and related on-costs including accounting for untaken recreation (annual) leave — valued at \$931,000. The Crown Entity accepts the liability for long service leave.

We owe approximately \$174,000 for goods or services that we have received but have not yet been invoiced for. The value of accounts on hand at 30 June 2007 was \$7,360. See figure 12 (below). We monitor the amounts we owe on a regular basis to make sure we are paying accounts within terms.

## Environmental issues

Like all agencies, we have an impact on the environment. Our work leads to the generation of emissions and the production of waste, and we use resources such as electricity and water. We have a number of programs in place to monitor and reduce this impact — including energy management and waste reduction programs — and have integrated environmental issues into our business plans. We also benchmark our performance each year against government and internal targets.

The success of our environmental programs depends on the commitment of our staff, so one of our key environmental activities is staff awareness and education.

## Energy management

### Petrol consumption

We have developed a fleet improvement plan that identifies actions and policy changes required to improve our fleet performance score. We reduced our fleet greenhouse gas emissions in 2006–07 and used 12% less fuel than the previous year. This can be attributed to replacing two vehicles with smaller, more fuel-efficient ones.

#### Performance Indicator

##### Petrol consumption

	95/96	04/05	05/06	06/07
Petrol (L)	4,296	5,326	5,159	4,787
Total GJ	147	182	176	162
Distance travelled (km)	53,018	54,738	51,602	35,086

### Electricity consumption

We decreased our energy use by 12.94% during 2006–07. This was due to the installation of energy-saving devices throughout our tenancy.

#### Performance Indicator

##### Energy consumption

	95/96	04/05	05/06	06/07
Electricity (kWh)	133,630	304,716	355,301	311,713
Kilowatts converted to gigajoules	481.07	1,097	1,279	1,222
Occupancy (people)	69.7	187	187	191
Area (m <sup>2</sup> )	1438	3,133	3,133	3,133
MJ/occupancy (people)/annum	6,872	5,866	6,840	6,266
MJ/Area (m <sup>2</sup> )/annum	335	350	408	382

### Aged analysis of accounts on hand at the end of each quarter

fig 12

	September 2006	December 2006	March 2007	June 2007
Current (ie within due date)	\$107,030	\$11,838	\$74,543	\$7,360
Less than 30 days overdue	-\$120	\$50	\$2,741	\$0
Between 30 days and 60 days overdue	\$0	\$0	\$154	\$0
Between 60 days and 90 days overdue	\$0	\$0	-\$275	\$0
More than 90 days overdue	\$0	\$0	\$0	\$0
<b>Total accounts on hand</b>	<b>\$106,910</b>	<b>\$11,788</b>	<b>\$72,212</b>	<b>\$0</b>

## Greenhouse performance

### Australian building greenhouse rating (ABGR)

We currently have a 3.5 star ABGR. We have been working to improve this rating — as well as reducing our annual greenhouse gas emissions — by installing occupancy sensors and light save energy controllers throughout the office. We have also implemented a program to educate staff on ways to conserve energy. As a result of these initiatives, we anticipate a future reduction in our annual greenhouse gas emissions.

### Waste reduction program

We are committed to reducing the amount of waste going to landfill. Our waste reduction and purchasing program has resulted in a reduction in waste, increased recycling and greater purchasing of recycled content products.

### Generating less waste

We are continually looking at ways to improve our waste management practices. We promote email as the preferred internal communication tool and encourage staff to print double-sided. We have an electronic record system that allows staff to access information such as policies, procedures and internal forms — reducing the need for paper copies. Our publications are available to download from our website and we now print a smaller quantity of publications.

## Resource recovery

We supply individual paper recycling bins at workstations and larger 240 litre bins are available throughout the office for secure destruction. All office wastepaper, cardboard, glass, plastic and aluminium are collected for recycling. We are a member of Planet Ark Close the Loop resource recovery program through which we recycle our used toner cartridges, bottles, drums, inkjets and ribbons. We regularly inspect general waste and recycling bins to check if there is recyclable paper in the general waste stream or contamination in the recyclable paper bins.

### Using recycled material

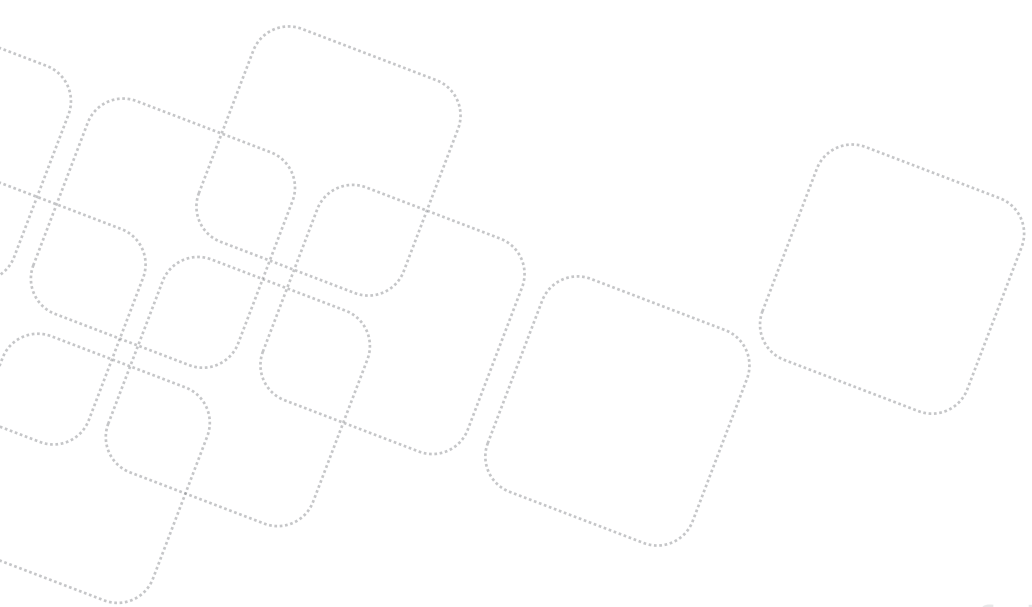
We use 50% recycled content / 50% sustainable managed plantations copy paper, and our stationery and publications are printed on either recycled, acid free or chlorine free paper. We purchase recycled content product when feasible and cost effective.

We replaced the carpet in part of our tenancy this year and used carpet tiles with 65% recycled content and the highest possible green guide 'A' rating.

### Reducing water usage

The building owners have implemented a water-saving strategy throughout the building. In 2007–08, they will be replacing the urinals in the building with a waterless system.





we want to see **fair accountable** and **responsive** administrative practice and service delivery in NSW in our own organisation and those we oversight we work to **promote good conduct fair**