

Management of Complaints by the Office of the Commonwealth Ombudsman

Office of the Commonwealth Ombudsman

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Canberra ACT
23 June 2022

Dear Mr President
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, I have undertaken an independent performance audit in the Office of the Commonwealth Ombudsman. The report is titled *Management of Complaints by the Office of the Commonwealth Ombudsman*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely



Grant Hehir
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits, financial statement audits and assurance reviews of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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Audit snapshot

Auditor-General Report No.41 2020–21

Management of Complaints by the Office of the Commonwealth Ombudsman



Why did we do this audit?

- ▶ An effective and efficient complaint handling body is important to improving public administration and ensuring the delivery of high-quality Australian Government and private sector programs and services.
- ▶ This audit was conducted to provide independent assurance to the Parliament that the Office of the Commonwealth Ombudsman (the Office) has an effective process in place to manage complaints.



What did we find?

- ▶ The Office is largely effective at managing complaints directed to it.
- ▶ The Office has developed and utilises fit-for-purpose complaints management arrangements.
- ▶ The Office regularly reviews the effectiveness and efficiency of its parliamentary complaints processes and conducts limited reviews of its industry complaints processes.



Key facts

- ▶ The Office has been managing complaints about Australian Government agencies since 1977.
- ▶ In 2020–21, the Office finalised 72 per cent of complaints within its service standards against a target of 90 per cent.
- ▶ In the 2019 and 2021 agency satisfaction surveys, 100 per cent of surveyed agencies were 'satisfied' (or better) with their interaction with the Office.



What did we recommend?

- ▶ There was one recommendation made to the Office to establish enterprise level monitoring and assurance frameworks to drive improvement.
- ▶ The Office agreed to this recommendation.

24,432

The number of complaints received by the Office in 2020–21.

53%

Complaints closed in 2020–21 related to industry functions.

47%

Complaints closed in 2020–21 related to parliamentary complaints.

Summary and recommendations

Background

1. The Office of the Commonwealth Ombudsman (the Office) was established in 1977 through the *Ombudsman Act 1976*. The Office receives, assesses, and investigates complaints — as an independent intermediary — from people who believe they have been treated unfairly by an Australian Government entity or prescribed private sector organisation.¹
2. The Office has two key objectives in relation to its complaints management functions — to provide an ‘efficient, effective and accessible government complaint handling service’, and to be an ‘effective and impartial industry complaint handling service’.²
3. In 2009, the Office developed a *Better Practice Complaint Handling Guide*, based on the *Australia/New Zealand Standard Guidelines for complaint management in organizations* (AS/NZS 10002:2014). It was updated in 2020 and forms the basis for the Office’s complaints management framework.

Rationale for undertaking the audit

4. This performance audit provides independent assurance to the Parliament that the Office has an effective process in place to manage complaints. An efficient and effective complaint handling body is important to improving public administration and the quality of programs delivered by government and private sector organisations.

Audit objective and criteria

5. The audit objective was to assess the Office’s effectiveness in managing complaints.
6. To form a conclusion against the objective, the following high-level criteria were applied.
 - Does the Office have fit-for-purpose arrangements in place to support the effective handling of complaints? (Chapter 2)
 - Does the Office review the effectiveness of its complaints management processes? (Chapter 3)
7. The audit focused on the effectiveness of the Office’s complaints management processes in relation to Australian Government entities and private sector entities from 30 June 2018 to 1 July 2021. The audit did not review the Office’s ACT and Defence Force Ombudsman functions.

Conclusion

8. The Office is largely effective in managing complaints directed to it.

1 Prescribed private sector organisations include private health insurers, some postal operators and some providers of educational services.

2 The Office of the Commonwealth Ombudsman, *2021–22 Corporate Plan* [Internet], the Office, 2021, p.8, available from https://www.ombudsman.gov.au/data/assets/pdf_file/0024/112677/Commonwealth-Ombudsman-Corporate-Plan-2021_FINAL-Web-ready.pdf [accessed 29 March 2022].

9. The Office has fit-for-purpose arrangements in place to support the effective handling of parliamentary and industry complaints. The complaints process is accessible, clear and mostly responsive to the public, and managed in accordance with the Office's complaints framework.

10. The Office conducts regular reviews of the effectiveness and efficiency of its parliamentary complaints processes and limited reviews of its industry complaints processes. The Office's surveys of complainant and agency satisfaction did not clearly identify the methodologies used to generate the surveys' results. The Office has recently established processes to monitor the implementation and intended outcomes of action items arising from reviews and is conducting an enterprise level quality assurance framework review. Prior to this, the Office did not consistently monitor the implementation of review findings or measure the success of continuous improvement initiatives.

Complaint handling

11. The Office has developed a Better Practice Guide, based on the *Australia/New Zealand Standard Guidelines for complaint management in organizations*, which provides a framework for effective and efficient complaint handling. The Office has established a complaint handling framework that is broadly consistent with the Better Practice Guide. Improvements can be made to industry complaint handling procedures, and the tracking of staff training. The Office takes a limited approach to determining efficiency, focusing on timeliness and not considering inputs. (Paragraphs 2.4 to 2.45)

12. The Office's complaints process is accessible, clear and mostly responsive. The Office undertakes work to reduce access barriers to indigenous communities and people living with a disability. The communication of outcomes to complainants and the prioritisation of cases was not always in-line with the Standard and Better Practice Guide. The Office has identified actions to improve the clarity of its communications and its responsiveness. (Paragraphs 2.46 to 2.65)

Review mechanisms

13. The Office monitors and reviews the effectiveness and efficiency of its complaints management processes. Regular reporting, including quality assurance reports and survey results, are provided to the Executive. The surveys of complainant and agency satisfaction did not identify how their respective methodologies generated the results used to report against the Office's performance targets. The Office did not have a process to use the quality assurance reports to drive continuous improvement. The Office did not have arrangements to review its complaint handling procedures, and procedures were either overdue for a review or were not assigned a review date. (Paragraphs 3.3 to 3.24)

14. The Office has recently established processes to track implementation of actions and determine whether intended outcomes or process improvements are achieved. Prior to this, the Office did not consistently monitor the implementation of review findings or measure the success of continuous improvement initiatives. (Paragraphs 3.25 to 3.31)

Recommendation

Recommendation no. 1 The Office of the Commonwealth Ombudsman establish an enterprise level monitoring and assurance framework to monitor and drive continuous improvement.
Paragraph 3.32

Office of the Commonwealth Ombudsman response: *Agreed.*

Summary of entity response

15. The Office's summary response is provided below and its full response is included at Appendix 1.

The Office of the Commonwealth Ombudsman (the Office) welcomes this performance audit and acknowledges the valuable role the ANAO plays in providing independent assurance to the Parliament and the public that our Office has an effective process in place to manage complaints. The Office is committed to delivering an efficient, effective, accessible and impartial complaint service for the Australian community, and influencing systemic improvement in public administration.

We welcome the ANAO's conclusions that the Office is largely effective at managing complaints; has fit-for-purpose arrangements in place to support the effective handling of complaints; our complaints process is accessible, clear and mostly responsive to the public; and we undertake work to reduce access barriers to indigenous communities and people living with a disability. We also welcome the ANAO's suggestions for improvement and their recommendation to establish enterprise level monitoring and assurance frameworks for complaint handling.

The Office is committed to continuous improvement and has already commenced work in response to this recommendation. A review of our quality assurance mechanisms is currently underway and will inform the development of an enterprise framework to be implemented in the coming financial year.

Key messages from this audit for all Australian Government entities

16. Below is a summary of key messages, including instances of good practice, which have been identified in this audit and may be relevant for the operations of other Australian Government entities.

Governance and risk management

- The Office's practices identified the benefits of ensuring case management systems are aligned with comprehensive procedures to ensure procedures are accurately followed.
- Entities should ensure they have arrangements in place to monitor the implementation of recommendations from reviews and evaluations.

Performance and impact measurement

- Entities should implement mechanisms to measure the success of continuous improvement initiatives to determine whether they have resulted in the intended outcomes.

Audit findings

1. Background

Office of the Commonwealth Ombudsman functions

1.1 The Office of the Commonwealth Ombudsman (the Office) is a non-corporate Commonwealth entity established in 1977 under the *Ombudsman Act 1976* (the Act). The Office was established to ensure 'fair and accountable administrative action by Australian Government entities and prescribed private sector organisations.'³

1.2 The Office is responsible for handling complaints about the administrative actions and decisions of government entities and prescribed private sector organisations to see if they are wrong, unjust, unlawful, discriminatory or unfair.⁴ The Office is responsible for Ombudsman functions described in Table 1.1.

Table 1.1: Complaints functions of the Office

Ombudsman	Functions
Commonwealth Ombudsman	<ul style="list-style-type: none">Investigates complaints about the administrative actions and decisions of Australian Government entities and prescribed private sector organisations.^a
Defence Force Ombudsman	<ul style="list-style-type: none">Investigates administrative actions that relate to the service of current and former Australian Defence Force members.
Postal Industry Ombudsman	<ul style="list-style-type: none">Investigates complaints about Australia Post, StarTrack, Cheque-Mates, D and D Mailing Service.Investigates complaints about FedEx Australia for incidents that occurred prior to April 2021.^b
Overseas Students Ombudsman	<ul style="list-style-type: none">Investigates complaints from prospective, current, and former international students about private registered education providers.
Private Health Insurance Ombudsman	<ul style="list-style-type: none">Assists in the resolution of complaints relating to private health insurance.Disseminates private health insurance information primarily through privatehealth.gov.au.^c
VET Student Loans Ombudsman	<ul style="list-style-type: none">Investigates complaints from students about Vocational Education and Training (VET) providers authorised to receive funding under Australian Government loan schemes and makes recommendations to the Department of Education, Skills and Employment about re-crediting loans.
ACT Ombudsman	<ul style="list-style-type: none">Investigates complaints involving administrative actions of ACT government agencies and police.

Note a: The Office is not responsible for complaints concerning tax administration action by the Australian Taxation Office or the Tax Practitioners Board. Since 2015 these functions have been held by the Inspector-General of Taxation.

3 The Office of the Commonwealth Ombudsman, *2020–21 Annual Report* [Internet], the Office, 2021, p. 12, available from <https://www.ombudsman.gov.au/publications/reports/annual/all-reports/docs/commonwealth-ombudsman-annual-report-2020-21> [accessed 31 January 2022].

4 The Office also oversees the Public Interest Disclosure Scheme, responds to reports of serious abuse in the Department of Defence, monitors places of detention under control of the government, and conducts inspections of the use of certain powers by law enforcement bodies. The Office also acts to improve public administration and conducts own motion investigations into matters that relate to administration taken by a department or by a prescribed authority.

Note b: Private companies can opt into the scheme. FedEx withdrew from the scheme in April 2021.

Note c: Section 20D of the Act requires that the Private Health Insurance Ombudsman collects and publishes information about the complying health insurance products available.

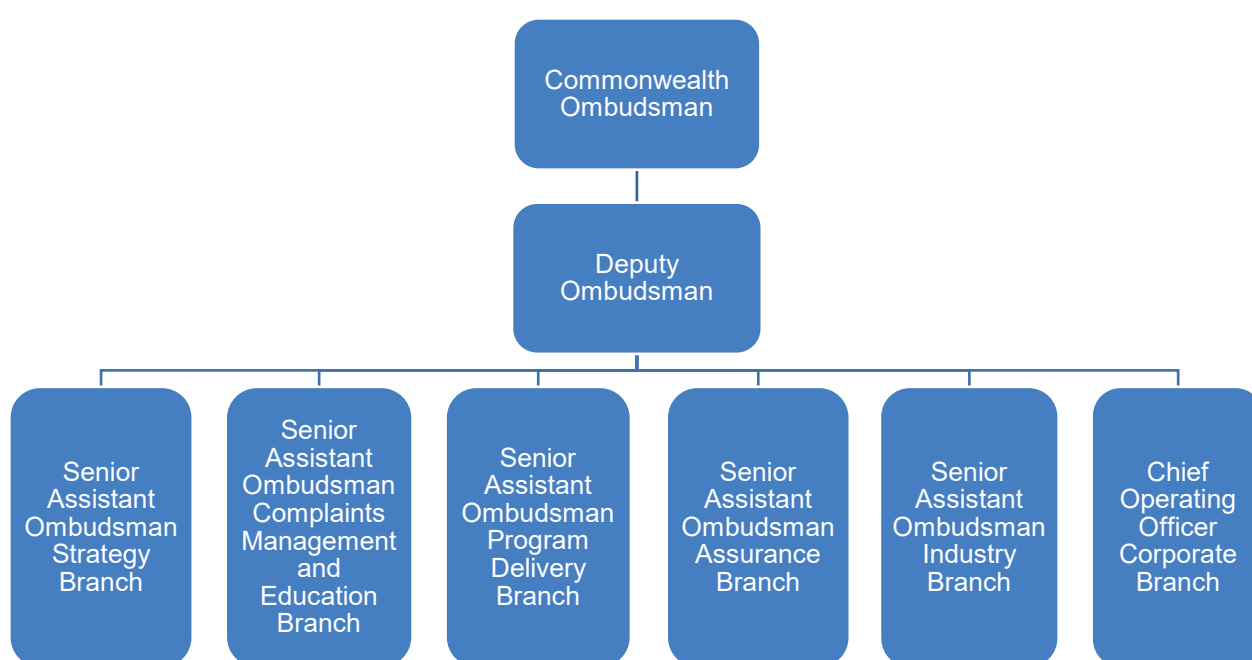
Source: ANAO analysis of the Office documentation and subsection 4A(e) of the Act.

1.3 The Office is not authorised to investigate actions taken by ministers or judges, employment related matters (outside of the Defence Force Ombudsman), and the actions of some Government Business Enterprises.⁵

Organisational structure

1.4 The Commonwealth Ombudsman is the Office's accountable authority and is supported by an executive leadership team (see Figure 1.1). Both the Ombudsman and Deputy Ombudsman are appointed under the Act by the Governor-General for up to seven years.

Figure 1.1: The Office's executive organisation structure



Source: ANAO representation of the Office documentation.

1.5 The Senior Leadership Group (SLG) and the Strategic Policy Board (SPB) are the Office's two primary executive governance groups.⁶ The SLG meets monthly and oversees the Office's operational functions, including decisions concerning corporate governance, performance, compliance, and resource allocation. The SPB also meets monthly to consider the Office's strategic priorities, including own motion investigations, issue papers, submissions, products and targeted engagement activities by the Office in fulfilment of its statutory mandate.

1.6 In 2021–22, total appropriation for the Office was \$40.9 million with an average staffing level (ASL) of 225 personnel.

⁵ Section 5 of the Act.

⁶ Both committees comprise the Ombudsman, Deputy Ombudsman, all Senior Assistant Ombudsmen, and the Chief Operating Officer.

1.7 Complaints management functions are split between the Complaints Management and Education Branch (CMEB) and the Industry Branch.

- The CMEB:
 - manages complaints and major investigations about government entities (referred to by the Office and in this report as ‘parliamentary complaints’);
 - delivers education and outreach activities; and
 - performs a business intelligence function for the Office.
- The Industry Branch is responsible for managing private health insurance, postal industry, overseas students, and VET student loan complaints (referred to by the Office and in this report as ‘industry complaints’).

Complaints management

1.8 The Office has two key objectives in relation to its complaints management functions: to provide an ‘efficient, effective and accessible government complaint handling service’; and an ‘effective and impartial industry complaint handling service’.⁷

1.9 In 2020–21, the Office received 24,432 complaints:

- 11,110 (45 per cent) were parliamentary complaints;
- 12,688 (52 per cent) were industry complaints; and
- 634 (three per cent) related to the ACT Ombudsman function.⁸

1.10 In 2020–21 the Office received 7,283 contacts that were determined to be out of the Office’s jurisdiction.

1.11 Across the next four years, the Office has prioritised responding to feedback from the public and agencies, including a particular focus on the timeliness and ease of access to its services.⁹

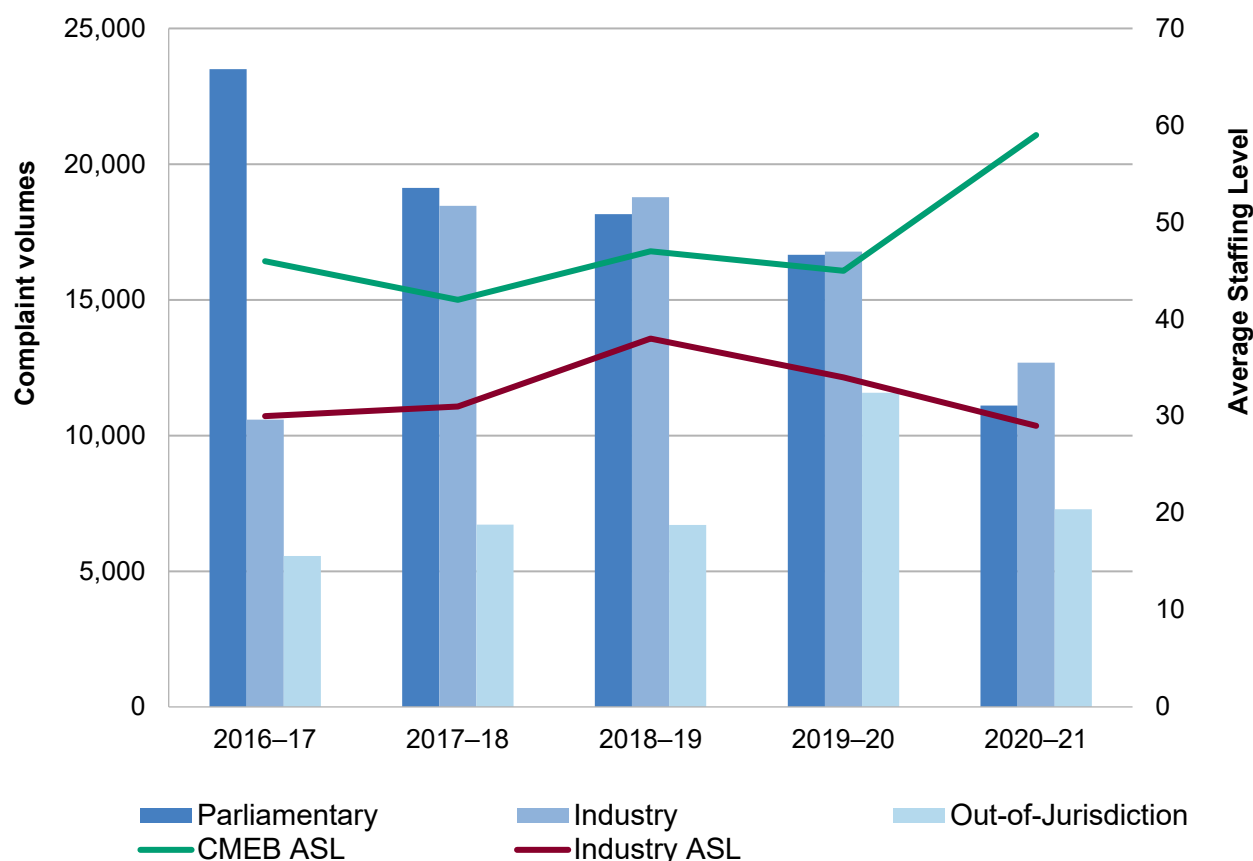
1.12 Figure 1.2 shows the volume of parliamentary complaints, industry complaints and out-of-jurisdiction contacts between 2016–17 and 2020–21, and the CMEB and Industry Branch ASL.

7 The Office of the Commonwealth Ombudsman, *Commonwealth Ombudsman 2021–22 Corporate Plan*, the Office, 2021, p.8, available from <https://www.ombudsman.gov.au/publications/corporate-plans/2021-2022-corporate-plan> [accessed 28 January 2022].

8 ACT Ombudsman function is out of this audit’s scope.

9 The Office of the Commonwealth Ombudsman, *2021–22 Corporate Plan* [Internet], the Office, 2021, p. 9, available from <https://www.ombudsman.gov.au/publications/corporate-plans/2021-2022-corporate-plan> [accessed 28 January 2022].

Figure 1.2: Complaint volumes and average staffing level between 2016–17 and 2020–21



Note: These ASL figures take into account all members of each branch, not just those working as complaint handlers. The rise in CMEB staff numbers in 2020–21 reflects the integration of the Public Interest Disclosure team and a business intelligence group into the branch. Out-of-jurisdiction contacts may be taken by either branch.

The decline in Parliamentary complaints from 2016–17 to 2017–18 was largely due to the transfer of the Postal Industry Ombudsman function to the Industry Branch.

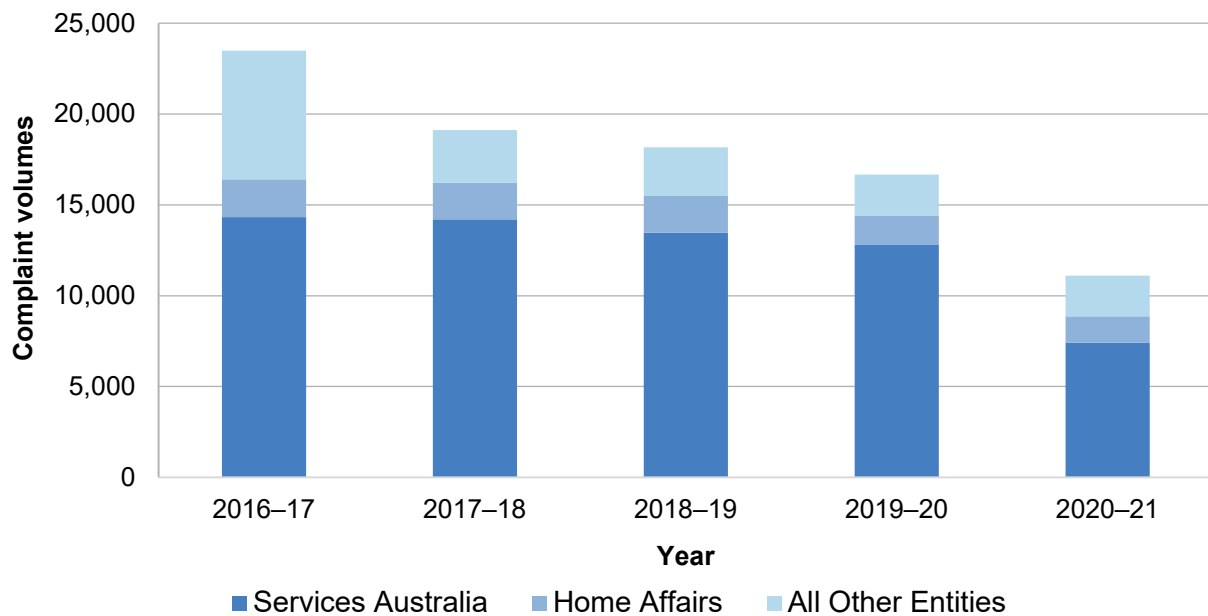
Source: ANAO analysis of the Office documentation.

1.13 Complaint volumes were relatively steady between 2017–18 and 2019–20. There was a reduction in parliamentary and industry complaints and out of jurisdiction approaches in 2020–21. The Office’s annual report states that ‘...changes in how agencies operated due to COVID-19 are likely to have contributed to the reduced complaint load’.¹⁰ Since 2017–18, parliamentary and industry complaints have each made up approximately half of total complaint volumes.

1.14 Figure 1.3 and Figure 1.4 show the volume and distribution of parliamentary and industry complaints respectively between 2016–17 and 2020–21.

¹⁰ The Office of the Commonwealth Ombudsman, *2021–22 Corporate Plan* [Internet], the Office, 2021, p. 26, available from <https://www.ombudsman.gov.au/publications/reports/annual/all-reports/docs/commonwealth-ombudsman-annual-report-2020-21> [accessed 31 January 2022].

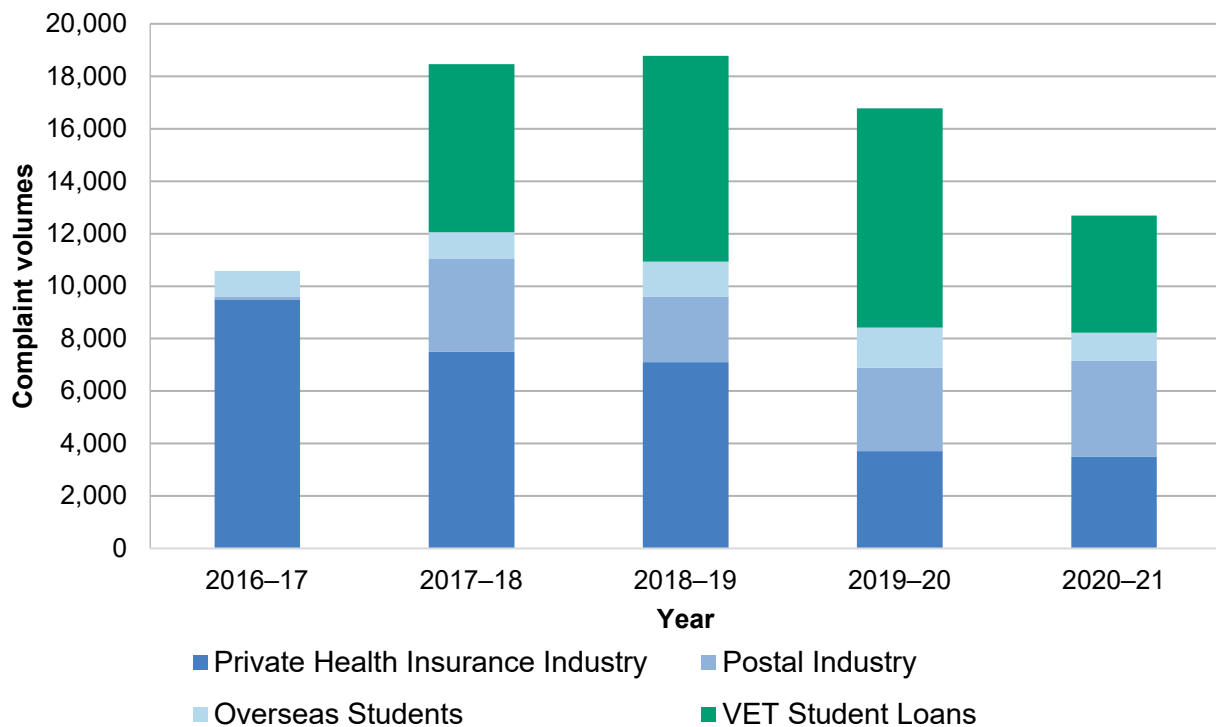
Figure 1.3: Parliamentary complaint volumes between 2016–17 and 2020–21



Source: ANAO analysis of the Office documentation.

1.15 Figure 1.3 shows that Services Australia (average of 71 per cent) and the Department of Home Affairs (average of 11 per cent) contributed the highest volume of parliamentary complaints during the period.

Figure 1.4: Industry complaint volumes between 2016–17 and 2020–21



Note: The Office gained Postal Industry and VET Student Loans functions in 2017–18.

Source: ANAO analysis of the Office Documentation

1.16 Figure 1.4 shows that since 2016–17 industry complaints have most commonly related to Private Health Insurance Industry (average of 44 per cent) and VET student loans (average of 40 per cent).

Rationale for undertaking the audit

1.17 This performance audit provides independent assurance to the Parliament that the Office has an effective process in place to manage complaints. An efficient and effective complaint handling body is important to improving administration by government and private sector organisations.

Audit approach

Audit objective, criteria and scope

1.18 The audit objective was to assess the Office's effectiveness in managing complaints.

1.19 To form a conclusion against the objective, the following high-level criteria were applied.

- Does the Office have fit-for-purpose arrangements in place to support the effective handling of complaints?
- Does the Office review the effectiveness of its complaints management processes?

1.20 The audit focused on the effectiveness of the Office's complaints management processes in relation to Australian Government entities and private sector entities. The audit did not review the Office's ACT and Defence Force Ombudsman functions.

Audit methodology

1.21 The audit involved:

- reviewing the *Australia/New Zealand Standard Guidelines for complaint management in organizations* (AS/NZS 10002:2014) and the Office's *Better Practice Complaint Handling Guide*¹¹;
- reviewing entity documentation, including meeting papers and minutes, policies and procedures, and correspondence;
- examining the management of a sample of complaints involving government entities and private sector organisations;
- observing the Office's call centre function;
- reviewing complainant and agency satisfaction surveys; and
- meeting with relevant staff.

1.22 The audit was conducted in accordance with ANAO Auditing Standards at a cost to the ANAO of approximately \$423,000.

11 The Office of the Commonwealth Ombudsman, *Better Practice Complaint Handling Guide* [Internet], the Office, 2020, available from https://www.ombudsman.gov.au/data/assets/pdf_file/0019/112276/Better-Practice-Guide-FINAL-v6-A2111312.pdf [accessed 28 January 2022].

1.23 The audit team members for this audit were Jag Basant, Shane Armstrong, Johanna Bradley, Ewan McPherson, Glen Ewers, Zoe Pilipczyk, Lauren Harmsworth, Peta Martyn, and Alex Wilkinson.

2. Complaint handling

Areas examined

This chapter examines whether the Office of the Commonwealth Ombudsman (the Office) has fit-for-purpose arrangements in place to support the effective handling of complaints.

Conclusion

The Office has fit-for-purpose arrangements in place to support the effective handling of parliamentary and industry complaints. The complaints process is accessible, clear and mostly responsive to the public, and managed in accordance with the Office's complaints framework.

Areas for Improvement

This chapter includes four areas for improvement for the Office in relation to: industry complaint handling procedures; tracking the completion of staff training; utilising the current suite of reviews underway to build on the Office's approach to efficiency; and ensuring responsiveness to complaints is in line with the Standard and Better Practice Guide.

2.1 The Office of the Commonwealth Ombudsman's (the Office's) two key objectives in relation to its complaints management functions are to provide:

- an 'efficient, effective and accessible government complaint handling service'; and
- an 'effective and impartial industry complaint handling service'.¹²

2.2 The Office has also prioritised improving access to complaint handling services, timeliness, and clarity of communications over the next four years as a result of feedback from the public and entities.¹³

2.3 Effective complaints management contributes to transparency, accountability and the continuous improvement of services and products. The Australian National Audit Office (ANAO) examined whether the Office's complaints management framework is effective and designed to support efficient complaint handling, and the complaints process is accessible, clear and responsive to the public.

12 The Office of the Commonwealth Ombudsman, *2021–22 Corporate Plan* [Internet], the Office, 2021, p. 8, available from https://www.ombudsman.gov.au/_data/assets/pdf_file/0024/112677/Commonwealth-Ombudsman-Corporate-Plan-2021_FINAL-Web-ready.pdf [accessed 21 February 2022].

13 The Office of the Commonwealth Ombudsman, *2021–22 Corporate Plan* [Internet], the Office, 2021, p. 9, available from <https://www.ombudsman.gov.au/publications/corporate-plans/2021-2022-corporate-plan> [accessed 28 January 2022].

Is there an effective complaints management framework that is also designed to support the efficient handling of complaints?

The Office has developed a Better Practice Guide, based on the *Australia/New Zealand Standard Guidelines for complaint management in organizations*, which provides a framework for effective and efficient complaint handling. The Office has established a complaint handling framework that is broadly consistent with the Better Practice Guide. Improvements can be made to industry complaint handling procedures, and the tracking of staff training. The Office takes a limited approach to determining efficiency, focusing on timeliness and not considering inputs.

2.4 In 2009, the Office developed a *Better Practice Complaint Handling Guide*¹⁴ (the Better Practice Guide) for both the public and private sector. It was updated in 2020, and forms the basis for the Office's complaints management framework.

2.5 The Better Practice Guide is based on the *Australia/New Zealand Standard Guidelines for complaint management in organizations* (AS/NZS 10002:2014) (the Standard). The Better Practice Guide generally aligns with the Standard, with two exceptions:

- the Better Practice Guide does not require records to be deleted after a period of time¹⁵; and
- it does not prescribe how a review of a complaints management system should be conducted.

2.6 The Office does not have processes in place to monitor updates to the Standard or to regularly update the Better Practice Guide.

Complaints management procedures

2.7 For a complaint to be considered by the Office, it must be a matter the Office has legal authority to investigate under the *Ombudsman Act 1976* (the Act). People with eligible complaints can be directed to seek redress from the entity which the complaint is about. Once internal entity mechanisms have been exhausted, the Office can accept the complaint and potentially conduct an investigation.

2.8 When a complaint is accepted by the Office, staff record complaint information in Resolve.¹⁶ A complaint is considered either simple or complex. Complex complaints may:

- have unclear or disputable jurisdiction, contain multiple issues, or have attracted ministerial or media interest; or
- have difficult complainant or entity behaviour, or a dispute over key facts.

14 The Office of the Commonwealth Ombudsman *Better Practice Complaint Handling Guide* [Internet], the Office, 2020, available from <https://www.ombudsman.gov.au/publications/better-practice-guides> [accessed 28 January 2022].

15 The Office deletes its records in accordance with the *Archives Act 1983*.

16 Resolve is the Office's complaints management system.

2.9 As mentioned in paragraph 1.7, the Complaints Management and Education Branch (CMEB) manages parliamentary complaints, and the Industry Branch manages industry complaints.

Parliamentary complaint handling procedures

2.10 The Parliamentary Complaint Handling Procedures include a series of 14 standalone documents, which:

[o]utline how complaints about Commonwealth or ACT government agencies (parliamentary complaints) should be handled by the Commonwealth Ombudsman (the Office). They support staff to confidently perform their duties in a consistent and efficient manner.

The procedures cover all aspects of the Office's management of parliamentary complaints including how and when to communicate with complainants, how to receive, assess and respond to complaints, the powers of the Office and which procedures apply to specific parts of the complaint handling process.

2.11 The ANAO found that the procedures align with the Better Practice Guide and cover the Office's management of parliamentary complaints. Other guidance includes:

- written guidance for frontline staff; and
- a Resolve user guide.

2.12 The Parliamentary Complaint Handling Procedures do not include information as to how regularly they will, or should, be reviewed (see paragraph 3.24).

Industry complaint handling procedures

2.13 Industry complaint guidance is located across several documents and does not fully explain the complaint handling process. Industry guidance focusses on more technical matters and instructions on how to log complaints in Resolve, and does not include version controls or review mechanisms.

2.14 The Parliamentary Complaint Handling Procedures state that they 'do not apply' to industry complaints or contacts. The Office advised that, in practice, Industry Branch uses the Parliamentary Complaint Handling Procedures, in conjunction with the industry specific guidance. In January 2022, the Office in advised that it plans to refresh industry complaints procedures, and integrate this guidance with the Parliamentary Complaint Handling Procedures. Table 2.1 summarises the guidance provided to staff of each industry function, and demonstrates an absence in guidance for key procedures across all Industry Branch functions.

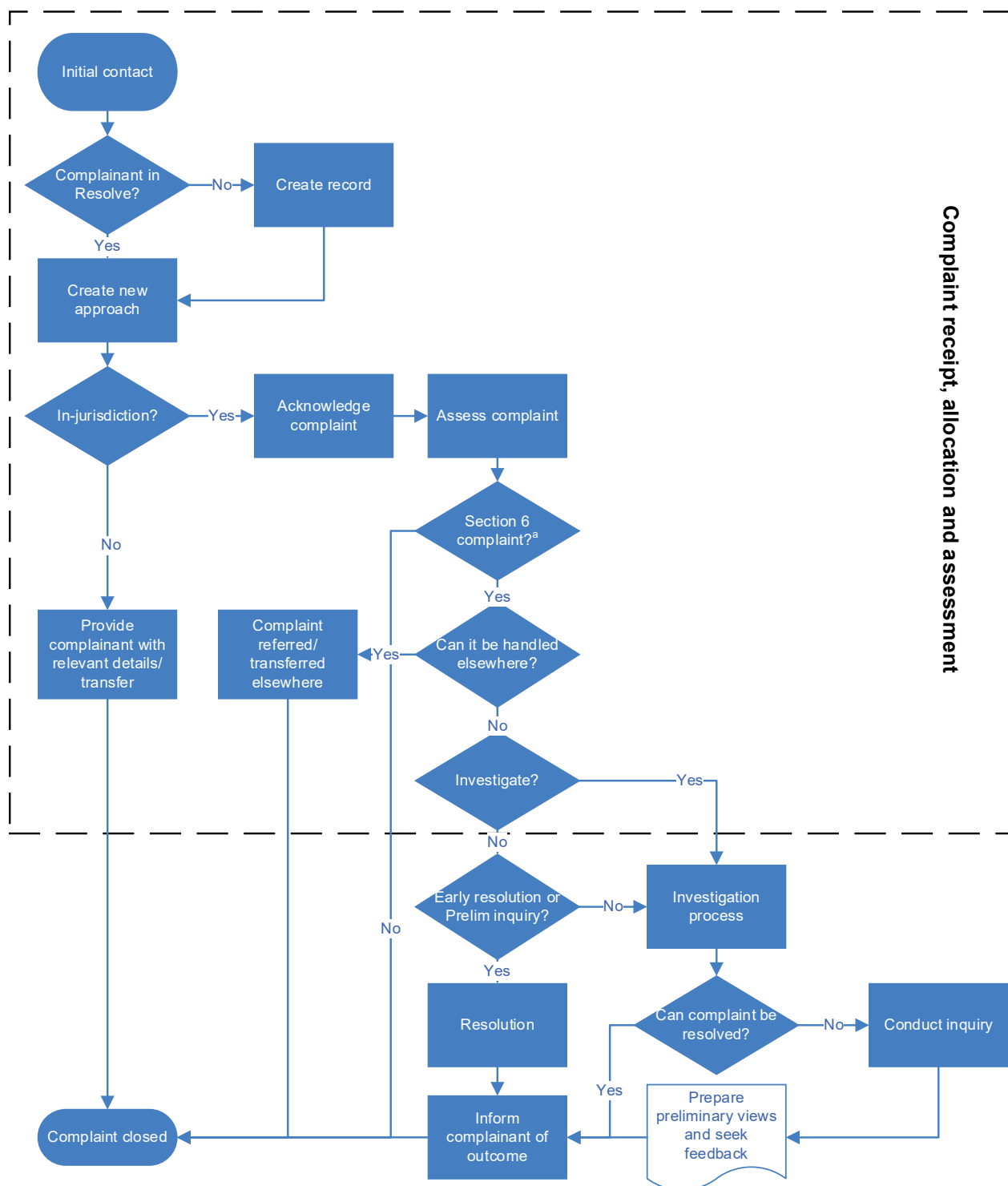
Table 2.1: Industry complaint handling guidance

	Postal Industry	Overseas Students	Private Health Insurance	VET Student Loans
Jurisdiction	✓	✓	✗	✓
Receipt of complaint	✓	✗	✗	✓
Handling timeframes	✗	✗	✓	✗

	Postal Industry	Overseas Students	Private Health Insurance	VET Student Loans
Complaint allocation	✓	✗	✓	✗
Assisted referrals	✓	✓	✓	N/A
Early resolution	✓	✓	N/A	N/A
Preliminary inquiries	✗	✓	N/A	✓
Resolve guidance	✓	✓	✓	✓
Investigation	✗	✓	✓	✓
Resolution and finalisation	✗	✓	✓	✗

Source: ANAO analysis of the Office documentation.

2.15 Figure 2.1 illustrates a high-level summary of the complaint handling process from receipt to closure for both parliamentary and industry complaints.

Figure 2.1: The Office's complaint handling process

Note a: Section 6 of the Act.

Source: ANAO analysis of the Office documentation.

Complaint receipt, allocation and assessment

2.16 Complaints are generally received via telephone, webform or email. The Better Practice Guide contains provisions to assess and triage complaints. The Office's procedures are consistent with these provisions.

- The Office uses a complaint complexity matrix to support its allocation of complaints. The matrix requires the user to consider subject matter, complaint details, the entity subject to the complaint and the complainant.
- Prior to deciding whether to investigate, staff determine whether the Office has jurisdiction over the matter.
- If frontline staff determine the complaint has not been made to the relevant entity, they can refer the complainant to the entity to make a complaint, or they can transfer the complaint to the relevant entity, with the complainant's consent.

2.17 In accordance with the Better Practice Guide, the Office's procedures consider urgency, sensitivity, vulnerability, and access considerations. For example, for both parliamentary and industry complaints, a complaint is considered urgent if there is a threat to the wellbeing of a complainant, evidence may be lost if action is not taken immediately, or delays would make it more difficult to achieve resolution.

2.18 Parliamentary and most industry complaints are assigned categories, based on the type of complaint, potential sensitivities and the degree of effort required to finalise. Initially, complaints are assigned to Category 1 or 2. Complaints may be escalated as they progress through the complaint handling process. Table 2.2 lists the complaint categories.

Table 2.2: Complaint categories for all Ombudsman functions except the Private Health Industry Ombudsman^a

Complaint category	Description
Category 1	A single contact and the complaint can be resolved without investigation.
Category 2	Includes complaints that are assessed, cannot be resolved in the first contact, but do not require investigation.
Category 3	The complaint is assessed and requires investigation and contact with the relevant entity.
Category 4	A complaint is assessed and requires a more detailed investigation and senior official level entity contact or use of formal powers.
Category 5 ^b	A complaint that is assessed and requires a major investigation and formal report to the entity and Minister.

Note a: The Private Health Industry Ombudsman uses a three-category system — no further action, referral, and investigation.

Note b: The Office advised that it handles approximately three to four Category 5 complaints per year.

Source: ANAO analysis of the Office documentation.

2.19 The Better Practice Guide contains provisions relating to early resolution. The Office's approach to complaints management aims to resolve each complaint at first point of contact, or by using early resolution techniques if applicable. Early resolution techniques are used where:

- a complaint may not require investigation;

- complaints are declined or transferred to another entity; or
- use of a preliminary inquiry is deemed appropriate to determine whether further investigation is needed.¹⁷

Call centre observations

2.20 The Better Practice Guide states that complaint handling staff ‘must demonstrate professional, empathetic, effective complaints handling practices in accordance with internal policy and procedures and better practice guidelines’.

2.21 The ANAO observed 26 telephone complaints received by the Office over a course of two days. Fifteen calls were taken by CMEB, and 11 by Industry Branch. Staff applied appropriate complaint handling procedures in all observed calls. Eleven calls observed related to out-of-jurisdiction issues, and in all instances, staff referred the caller on to the appropriate entity.

Preliminary inquiries

2.22 If a complaint cannot be resolved at first point of contact, the Office considers conducting a preliminary inquiry under section 7A of the Act.¹⁸ The Office limits its use of this power to ensure it is only used once in each complaint, and that approval processes apply.

2.23 A preliminary inquiry is a ‘one-off, straightforward inquiry made to an entity to determine whether [the Office] should investigate the complaint’. This mechanism enables the Office to ask basic, factual questions or obtain specific information from an entity to determine whether a complaint should be declined or continued. It enables the Office to obtain key documents from an entity quickly, rather than waiting for the complainant to provide additional information.

2.24 In July 2014, the Office limited preliminary inquiries to determining whether it had jurisdiction in relation to a complaint. The Office reintroduced preliminary inquiries in April 2018 with the aim of improving complaint handling efficiency.¹⁹ The Office advised that it has ‘not undertaken a statistical analysis of any changes to efficiency related to the reintroduction of preliminary enquiries’, but that a study currently underway (see paragraph 2.40) would determine the time and cost of undertaking a preliminary inquiry compared to an investigation.

Formal investigation of a complaint

2.25 The Parliamentary Complaint Handling Procedures outline the process for investigating a complaint, providing guidance on how to:

- plan an investigation;
- analyse evidence provided by the complainant and entity;
- make further inquiries, if required;
- complete an investigation²⁰; and
- finalise the record in Resolve.

17 See paragraphs 2.22 to 2.24.

18 With the exception of the Private Health Insurance Ombudsman function, all Ombudsman functions have the power to conduct preliminary inquiries.

19 Preliminary inquiries can also be used to assist vulnerable complainants.

20 This includes giving the complainant an opportunity to respond before the investigation is concluded and the complaint is formally closed.

Quality assurance

2.26 Quality assurance procedures align with the Better Practice Guide.²¹ Quality assurance on a representative sample of closed complaints is conducted monthly for parliamentary complaints, and quarterly for industry complaints.

2.27 The outcomes of the quality assurance process are reported to team leaders for coaching and training purposes. A quarterly report is provided to the Senior Leadership Group on the outcomes of quality assurance activities. While a report is also provided to relevant executive level staff who are responsible for acting on any broader or systematic findings, the steps taken to address these findings are not fed back to quality assurance officers. There would be merit in ensuring quality assurance officers are informed of steps taken by the Office to address these findings.

Complaints management system

2.28 The Better Practice Guide states entities should have ‘an electronic system for managing complaints and complaint data’. The Office uses Resolve to manage complaints from first contact through to resolution. The Parliamentary Complaint Handling Procedures, industry complaint guidance and other supporting guidance outline how Resolve is to be used in handling complaints.

2.29 Staff are required to complete mandatory fields in Resolve for each complaint. Mandatory fields include:

- the complaint handler assigned the complaint;
- the entity related to the complaint;
- how the Office received the complaint;
- how the complainant found out about the Office;
- whether the complainant identifies as an Aboriginal or Torres Strait Islander;
- whether the complainant needed an interpreter; and
- a complaint summary.

2.30 Analysis of 98²² complaints found that in 25 per cent of cases the record in Resolve did not contain information on whether the complainant identified as being either Aboriginal or Torres Strait Islander, or required an interpreter.²³

Complaints management training

2.31 The Better Practice Guide states that staff should be trained to ensure they properly apply complaint handling procedures, handle complaints confidentially and impartially, and remain aware

21 Roles and responsibilities of the quality assurance coordinator, officer, and manager are outlined in the procedures.

22 The ANAO selected 98 complaints using a representative sampling approach. The confidence level is 90 per cent and confidence interval is five per cent.

23 An examination of these records found an issue with the mandatory field functionality of Resolve, which was rectified by the Office when it was discovered.

and up to date on emerging issues that drive complaints. There should be ongoing and specialist training, and staff should participate in communities of practice²⁴, where possible.

Coaching and training

2.32 The parliamentary complaint handling teams' coaching framework defines coaching and provides a set of guiding principles. Under this framework, supervisors listen to live calls in preparation for coaching activities. Staff are also able to obtain assistance from supervisors when handling a complaint. While there is no coaching framework for the Industry Branch, the Office advised that it plans to expand the parliamentary coaching framework to make it available to all complaint managers.

2.33 The Office's training includes quality checking of complaint handler decision-making. As complaint handlers gain more experience, quality checking measures are limited to the standardised quality assurance processes (see paragraphs 2.26 to 2.27). There is no formal guidance on when this transition is to be made. The Office advised this will be rectified when guidance is updated.

2.34 The Better Practice Guide states that entities should provide ongoing and specialist training for complaint handlers. While the Office tracks completion of formal training and eLearning, it does not track when staff undertake refresher complaint handling training post-induction. A training review is currently being undertaken which aims to address the recording of refresher training. The review is due to be completed in June 2022.

Communities of practice

2.35 The Commonwealth Ombudsman participates in the Australian and New Zealand Ombudsman Association. Through this association, the Office meets with counterpart organisations from both the public and private sectors, and staff participate in interest groups to share information and practices with colleagues from other jurisdictions.

2.36 The Office also runs the annual Commonwealth Complaint Handling Forum, where it shares best practice with members. In preparation for this forum, the Office surveys members to identify emerging issues and themes in the sector. Staff attend the forum to learn more about complaint handling.

Complaints management efficiency

2.37 The Auditing and Assurance Standards Board defines efficiency as 'the performance principle relating to the minimisation of inputs employed to deliver the intended outputs in terms of quality, quantity and timing'.²⁵ The Office's approach to measuring efficiency is based on the Better Practice Guide, which uses timeliness as its primary efficiency measure, and does not consider the effect of inputs on quality, quantity and timing. This audit has noted the Office is currently undertaking several reviews focussed on its processes and procedures. These reviews present an opportunity for the Office to broaden its approach to measuring efficiency.

24 Communities of practice include branch-specific forums to share better practice complaints handling information.

25 Auditing and Assurance Standards Board, *Standard on Assurance Engagements ASAE 3500: Performance Engagements* [Internet], AUASB, 2017, p. 10 available from https://www.auasb.gov.au/admin/file/content102/c3/ASAE-3500_10-17.pdf [accessed 29 March 2022].

Timeliness

2.38 The Better Practice Guide outlines that internal service standards should allow sufficient time for complaints to be handled properly. It suggests a range of days as a standard for response timeliness that the Office has included in its procedures (see Table 2.3).

Table 2.3: The Office's internal service standards (days) against the Better Practice Guide

Action	Parliamentary complaints	Industry complaints			
	Commonwealth ^a	Postal Industry	Overseas Students	Private Health Insurance	VET Student Loans
Acknowledge complaint	7	Does not exist	Does not exist	7	Does not exist
Resolve simple complaint	7	14	3	3	Does not exist
Resolve urgent and priority complaint	Does not exist	Does not exist	Does not exist	Less than 3 business days	Does not exist
Resolve complex and sensitive case	30 to 90	45 to 90	60 to 90	30 to 90	Does not exist

Note a: This includes the Defence Force Ombudsman (see Table 1.1).

Source: ANAO analysis of the Office documentation.

2.39 Where targets have been set, the Office reported it had met and exceeded its target of complaints handled within service standards in 2018–19 and 2019–20. In 2020–21, the Office reported it had handled complaints in accordance with service standards 72 per cent of the time, against a target of 90 per cent.²⁶ In its 2020–21 Annual Report, the Office noted that 'the effects of COVID-19 are a significant contributor to this result.'

2.40 The Office is conducting a review to measure the time taken to complete individual tasks across the complaint handling process. This review was paused due to COVID-19, but recommenced in February 2022 with an expected completion date of 30 June 2022. The Office advised that the review's results would assist in refining performance measures and lead to more effective workforce planning.

Staff engagement

2.41 The Better Practice Guide includes other efficiency considerations for complaints handling. For example, it states that to achieve greater efficiency:

- frontline staff should be empowered to handle complaints;
- complaints should be triaged; and
- resources should be devoted to thorough investigation of more complex complaints.

²⁶ The Office advised that this figure is calculated based on performance across a range of individual service levels across the Office. These results are combined to produce the whole of office figure.

2.42 As discussed in paragraphs 2.16 to 2.19, the Office has procedures in place to address these considerations.

External engagement

2.43 Better efficiency contributes to agency satisfaction and engagement with the Office's complaints management process. The Office has relationship protocols with Services Australia, the Department of Home Affairs, and the National Disability Insurance Agency. These protocols outline the purpose, the roles of each party, and, for Services Australia and the National Disability Insurance Agency, a mechanism for review and amendment.

2.44 The Office conducts quarterly liaison meetings with the abovementioned entities. There are formal agendas and minutes for each meeting, and action items are tracked. The Office identified the advantages of engagement with the entities that make up the majority of parliamentary complaints, as it improved staff familiarity with entity processes and a reduction in the perceived complexity of a complaint.

Other mechanisms

2.45 The Office has a standardised approach for group complaints. Group complaints can involve similarly worded complaints, from multiple individuals, or complaints about the same issue where the complainants are not directly impacted. The Office consolidates these complaints into a single complaint, advising the complainants of the outcome at conclusion.

Is the complaints process accessible, clear and responsive to the public?

The Office's complaints process is accessible, clear and mostly responsive. The Office undertakes work to reduce access barriers to indigenous communities and people living with a disability. The communication of outcomes to complainants and the prioritisation of cases was not always in-line with the Standard and Better Practice Guide. The Office has identified actions to improve the clarity of its communications and its responsiveness.

Accessibility

2.46 The Standard defines an accessible complaints management process as one that is available to as many people as possible, 'particularly those who may require assistance'. The Better Practice Guide states that an accessible system reflects the needs of a diverse community and 'actively seeks to reduce access barriers'. The Office also seeks to comply with the Australian Government's Digital Service Standard.²⁷

2.47 The Office's accessibility approach aligns with accessibility provisions outlined in the Standard, the Better Practice Guide, and the Digital Service Standard.

2.48 A complaint can be made:

- online;

²⁷ The Australian Government Digital Transformation Agency has established the Digital Service Standard to provide a 'set of best-practice principles for designing and delivering Government services', available at <https://www.dta.gov.au/help-and-advice/digital-service-standard/digital-service-standard-criteria>.

- via telephone²⁸;
- in person by visiting an office²⁹;
- in writing; or
- by fax.

2.49 The Office seeks to address access barriers through indigenous, disability and website accessibility initiatives. The Office has identified other forums through which it can explain the complaints process to indigenous communities, such as attending financial counselling forums and leaving information with indigenous communities when they visit. Prior to COVID-19, the Office would also visit the embassies of countries with large cohorts of students in Australia.

2.50 Accessibility to the Office's services relies largely on government agencies and private entities referring their dissatisfied complainants to the Office. Entities that the Office receives the most complaints about provide links to the Ombudsman on their feedback and complaints webpages. The Office advised that they encourage other entities to provide accessible information about its complaints service when it identifies the information is not easily accessible.

2.51 The Office's 2020 complainant survey³⁰ found that 'at least three quarters [of participants] found it easy to ... lodge the complaint and access Ombudsman staff when needed'. The survey did not ask what barriers may exist to accessing the Office's services, in accordance with the Better Practice Guide provisions to actively reduce access barriers.

Clarity

2.52 The Standard states that information about how and where a complaint can be made be well publicised and made available in a range of formats.³¹

2.53 The Office's website communicates information about the complaints process.

- The What We Do video outlines the role of the Office and covers complaints the Office investigates.
- The Service Charter is available on the website. It commits the Office to informing the complainant about what is happening, how long it might take to deal with the issue, and keeping the complainant informed of progress.
- The Frequently Asked Questions and Can We Help You pages step through some frequently asked questions, including providing a diagram of possible pathways and outcomes for a complaint.

2.54 The Office primarily relies on the website to communicate information about the complaints process. A broader communication strategy, which takes into account the diversity of its client base,

28 Making complaints via telephone has not been encouraged since COVID-19 lockdowns in March 2020 as staff are unable to take phone calls from home. The phone hours were reduced from 9am–5pm in early 2020 to 9am–12pm in March 2020, and then extended slightly to 10:30am–3pm AEST from September 2020.

29 The Office's website has not provided any office locations since March 2020 due to COVID-19. Instead, the website encourages the use of the online form.

30 See paragraphs 3.9 to 3.18 below for more information on this.

31 For example, via webpage, at the front counter, and in other media generated by the organisation.

could provide the Office with assurance that information about its complaints process is available to complainants whose circumstances prevent web-based communication.

2.55 The 2020 complainant survey measured complainants' ratings of the communication from, and with, the Office, and identified:

- 70 per cent of complainants agreed or strongly agreed the Office clearly explained its processes for resolving complaints;
- 65 per cent agreed or strongly agreed the Office identified what they could do to help;
- 68 per cent agreed or strongly agreed the Office explained the next steps of the complaint process;
- 64 per cent agreed the Office clearly communicated the expected timeframes for resolving the complaint; and
- while 46 per cent agreed the Office regularly informed the complainant of the progress of their complaint, 41 per cent disagreed or strongly disagreed.

2.56 Following the 2020 complainant survey, the Office developed a list of actions, as well as the Channel Management Strategy and Communicating with Complainants Report. The Office:

- updated standard correspondence to include a simple visual flow chart to explain the complaint process (the ANAO identified this in correspondence from the Office to complainants);
- advised it had reviewed correspondence to clarify language and ensured user-centred correspondence; and
- advised it had notified staff to provide the complainant with the expected timeframe each time they corresponded with the complainant about progress on their complaint.³²

Responsiveness

2.57 The Standard establishes responsiveness as one of the principles to manage complaints. Responsiveness involves ongoing communication with the complainant as well as efficient complaint handling.

2.58 The Office aims to provide a complaint handling service that is responsive to the public when they contact the Office and is responsive to entities. Response time varies depending on the entity the complaint is about, and the nature and complexity of the complaint. For more information on service standards see paragraphs 2.38 to 2.40.

2.59 The ANAO examined a sample of 49 parliamentary complaints and 49 industry complaints against the provisions in the Standard and Better Practice Guide relating to responsiveness. The Office's practices, along with the results of the sample testing, were assessed against the responsiveness provisions of the Standard and Better Practice Guide (see Table 2.4).

32 See paragraph 2.63.

Table 2.4: Assessment of the Office's alignment with responsiveness provisions

Provision	Assessment
Prompt acknowledgement of complaint received.	◆
Communicate with complainant as soon as practical when unable to deal with all or part of the complaint.	◆
Manage expectations of complainant/s.	◆
Communicate progress of complaint particularly if there is a delay.	◆
Communicate outcome.	▲
Give appropriate priority in accordance with the urgency of the issues raised.	▲

Key: ▲ the provision was partly met

◆ the provision was largely met

Source: ANAO analysis of the Office documentation.

2.60 In eight of the 49 (16 per cent) industry complaints sampled, the outcome was not clearly communicated to the complainant.

- For four complaints, the Resolve record did not contain any communication of the outcome.
- For four complaints, the complaint lapsed when the complainant did not provide additional information requested.³³

There were no parliamentary complaints sampled that lapsed without further communication with the complainant.

2.61 Urgent complaints are not always given appropriate priority. Of the seven complaints identified as urgent by the Office in the ANAO sample:

- four were responded to the same day they were made;
- two were responded to three days after the complaints were made; and
- one was responded to 12 days after it was made.

2.62 The ANAO observed one call to the Industry Branch where, although the complaint was marked as urgent, there was no record of any follow-up with the complainant in Resolve.

2.63 The 2020 complainant survey found that 68 per cent of respondents believed the Office explained next steps, and 64 per cent believed timeframes were clearly communicated. The survey report recommended 'the greatest improvement opportunity lies in proactive and timely communication'. As a result, the Office:

- introduced a process for sending acknowledgement letters for all complaints not immediately resolved; and

³³ According to subparagraph 6(1)(b)(ii) of the Act, the Ombudsman may decide not to investigate if the Ombudsman considers the complainant does not have a sufficient interest in the subject matter of the complaint.

- provided an anticipated timeframe in correspondence for each step of the complaints process.

2.64 The Office identified three further actions that would improve timeliness of customer contact:

- develop business rules for timeframes, contacts and updates;
- develop practices and rules to manage expectations around reporting and stakeholder contact; and
- determine triggers that initiate contact with stakeholders and develop rules to respond to the triggers.

2.65 The Office advised all three actions would be implemented during 2022.

3. Review mechanisms

Areas examined

This chapter examines whether the Office of the Commonwealth Ombudsman (the Office) reviews the effectiveness and efficiency of its complaints management processes.

Conclusion

The Office conducts regular reviews of the effectiveness and efficiency of its parliamentary complaints processes and limited reviews of its industry complaints processes. The Office's surveys of complainant and agency satisfaction did not clearly identify the methodologies used to generate the surveys' results. The Office has recently established processes to monitor the implementation and intended outcomes of action items arising from reviews, and is conducting an enterprise level quality assurance framework review. Prior to this, the Office did not consistently monitor the implementation of review findings or measure the success of continuous improvement initiatives.

Area for improvement

The ANAO made one recommendation that the Office establish an enterprise level monitoring and assurance framework. The ANAO also identified that the Office should improve the clarity of its complainant and agency survey methodologies used to measure satisfaction performance against its targets, to allow for a more informed comparison of results.

3.1 The Office of the Commonwealth Ombudsman (the Office) *Better Practice Guide to Complaints Handling* (the Better Practice Guide) states that:

[r]eflection is the necessary precursor to improvement. Reflective systems are self-critical and ensure complaint handling processes and complaint data are regularly reviewed and analysed. Reflective systems ensure effective actioning of individual complaints, and can identify trends, systemic issues and opportunities for improvement.³⁴

3.2 The Australian National Audit Office (ANAO) examined whether the Office monitors and reviews the effectiveness and efficiency of its complaints management processes, and if it uses the results from these reviews to drive continuous improvement.

Are the effectiveness and efficiency of complaints management processes monitored and reviewed?

The Office monitors and reviews the effectiveness and efficiency of its complaints management processes. Regular reporting, including quality assurance reports and survey results, are provided to the Executive. The surveys of complainant and agency satisfaction did not identify how their respective methodologies generated the results used to report against the Office's performance targets. The Office did not have a process to use the quality assurance reports to drive continuous improvement. The Office did not have arrangements to review its complaint handling procedures, and procedures were either overdue for a review or were not assigned a review date.

34 The Office of the Commonwealth Ombudsman *Better Practice Complaint Handling Guide* [Internet], the Office, 2020, p.39, available from <https://www.ombudsman.gov.au/publications/better-practice-guides> [accessed 28 January 2022].

Internal monitoring

3.3 The Office has mechanisms in place to monitor, analyse, and report on complaint handling performance. It uses this analysis to identify the effectiveness and efficiency³⁵ of the complaints handling processes.

3.4 Two forums are used by the executive team to address complaints monitoring reports — the Senior Leadership Group (SLG) that oversees the Office’s operational functions and Strategic Policy Board (SPB) that considers the Office’s strategic priorities (see Table 3.1).³⁶ Discussions focus on complaints performance, trends and issues, and consider areas of improvement.

Table 3.1: Internal report types, audience, frequency and summary contents

Report	Committee	Frequency	Summary contents
Complaints Management and Education Branch (CMEB) complaint handling statistics	SLG	Monthly	<ul style="list-style-type: none"> • Number of complaints received • Complaint channels (phone, online) • Complaints by agency and entity • Service standards^a outcomes • Analysis of issues and trends
Industry complaint handling statistics	SLG	Monthly	
Quarterly performance	SLG	Quarterly	<ul style="list-style-type: none"> • Performance against Office key performance indicators (KPIs)^b • Analysis of issues and trends
CMEB quality assurance	SLG	Quarterly	<ul style="list-style-type: none"> • Quality assurance checks completed and outcomes^c • Analysis of systemic issues
Industry quality assurance	SLG	Quarterly	
Glasshouse reports ^d	SPB	As required	<ul style="list-style-type: none"> • Office compliance with recommendations • Actions to ensure Office compliance

Note a: The Office allocates timeliness targets to parliamentary and industry complaints.

Note b: Report content includes a quarterly measurement against ‘percentage of Office service standards met’.

Note c: The Office’s quality assurance process checks complaints against 15 criteria, with a KPI of 95 per cent for each criterion.

Note d: These reports assess the Office’s compliance with recommendations it makes to other agencies.

Source: ANAO analysis of the Office documentation.

Complaint monitoring

3.5 The Office monitors the effectiveness and efficiency of parliamentary complaints management processes through quarterly and monthly performance reports on the ‘percentage of Office service standards met’.³⁷ Monitoring of industry complaints does not have the same structure. The Office advised that its industry complaint handling performance is informally discussed during fortnightly meetings between the Senior Assistant Ombudsman, Deputy Ombudsman and Ombudsman. Action is taken within the Industry Branch to address and remediate

35 Noting the Office’s current definition of efficiency is focussed on timeliness (see paragraphs 2.37 to 2.45).

36 Both committees comprise the Ombudsman, Deputy Ombudsman, all Senior Assistant Ombudsman, and the Chief Operating Officer.

37 The percentage of service standards met is a performance criterion in the Office’s 2020–21 Corporate Plan.

performance, such as training of additional complaints and early resolution officers to increase complaint handling capacity.

Quality assurance

3.6 Table 3.1. includes two internal quality assurance reports. The Office conducts quality assurance to ensure correct parliamentary and industry complaints management processes are followed and to identify areas for improvement.³⁸ Quality assurance reporting by the CMEB provides data analysis for internal reviews and quality assurance checks. Progress updates were provided to the SLG, but no further action was taken.³⁹

3.7 In June 2021, the first industry quality assurance report was presented to the SLG. It did not identify any systemic issues. Prior to this report, quality assurance reviews conducted for Private Health Insurance Ombudsman complaints were reported to the SLG, and the findings reported to complaints managers for other industry functions.

3.8 The Glasshouse reports provide a mechanism to monitor and ensure the Office acts in accordance with the recommendations it makes to other entities, including complaints handling processes. Between July 2018 and May 2021, the reports identified areas for improvement related to 12 recommendations made to other agencies.⁴⁰

Agency and complainant satisfaction surveys

3.9 It is important to collect and analyse feedback to identify opportunities for improvement. The Office's annual satisfaction targets are:

- 65 per cent of people who contacted the Office providing a rating of 'satisfied' (or better) with its services;
- 65 per cent of complainants providing a rating of 'satisfied' (or better) with its independence; and
- 80 per cent agencies providing a rating of 'satisfied' (or better) with its quality of work.⁴¹

3.10 The Office uses surveys⁴² to measure complainant and agency satisfaction.

38 See paragraphs 2.26 to 2.27.

39 The Office advised the ANAO it uses this process for continuous improvement.

40 Five of these resulted in recommendations for changes to complaint handling processes in July 2018.

41 The Office of the Commonwealth Ombudsman, *2021–22 Corporate Plan* [Internet], the Office, 2021, p.7, available from https://www.ombudsman.gov.au/data/assets/pdf_file/0024/112677/Commonwealth-Ombudsman-Corporate-Plan-2021_FINAL-Web-ready.pdf [accessed 21 February 2022].

42 Two surveys are conducted on alternative years — a complainant satisfaction survey which commenced in 2020 and an agency satisfaction survey which commenced in 2019. In 2015, the Office assumed responsibility for the Private Health Insurance Ombudsman. The Office conducted fortnightly surveys to monitor complainant satisfaction with Private Health Insurance complaints, with internal branch reporting and external reporting in the Annual Report. The Office advised that these surveys were paused in November 2021 as the Office considers a whole-of-office approach to customer satisfaction surveys across the Office.

Complainant satisfaction survey

3.11 The latest complainant satisfaction survey was conducted between 17 February and 1 May 2020. The results are based on a sample size of 1503 completed surveys.⁴³ The survey found:

- 51 per cent of complainants agreed or strongly agreed that overall they were satisfied with the way the Office handled their complaint (14 per cent were neutral and 35 per cent disagreed); and
- 66 per cent of complainants agreed or strongly agreed that they trusted the Office to act independently (12 per cent were neutral and 22 per cent disagreed).⁴⁴

3.12 Average scores were developed that formed the basis of the Office's reporting against the targets identified in paragraph 3.9 above. The survey did not identify a methodology for how the average scores were developed, although the Office advised that the average scores included neutral responses.

- For the overall satisfaction rating, the average score was 3.3 out of 5 (66 per cent against a target of 65 per cent).
- For the independence rating, the average score was 3.8 out of five (76 per cent against a target of 65 per cent).

3.13 The performance targets for overall satisfaction and independence do not refer to the use of average scores, or the use of neutral responses — the targets state 'satisfied or better'. Comparing the average score with the survey result (not including neutral responses) there is a:

- 15 per cent difference between the average score and survey result for overall satisfaction (66 per cent average compared to 51 per cent surveyed who agreed or strongly agreed); and
- 10 per cent difference for independence (76 per cent average compared to 66 per cent surveyed who agreed or strongly agreed).

Agency satisfaction survey

3.14 The office conducted two agency satisfaction surveys in 2019 and 2021.⁴⁵ The surveys were of Australian Government and private sector entities that had interacted with the Office. The surveys were qualitative, and based on interviews.

- The 2019 agency satisfaction survey was based on interviews of representatives from 15 entities. Seven of the entities were very satisfied and eight were quite satisfied 'with their interactions with the office'.
- The 2021 agency satisfaction survey was based on interviews of representatives from 12 entities. Six of the entities were very satisfied and six were quite satisfied 'with their interactions with the office'.

43 The complainant satisfaction survey was undertaken by CSBA. The Office provided to CSBA details of 9703 complainants, CSBA contacted 6960 complainants by telephone, producing a final sample size of 1503 completed surveys.

44 Complaint handling attributes assessed were consideration of all available information and evidence, gave the opportunity to provide relevant information, and the complaint process took a reasonable amount of time.

45 The two surveys were conducted by MCR.

3.15 On the basis of these two scores, the Office identified an agency satisfaction score 100 per cent with the quality of its work for both 2019 and 2020. The measurement does not specifically address quality, and is based on responses by the entities identifying the Office operated in a ‘proactive, transparent and effective way’.

3.16 The other main findings for the agency and complainant surveys are identified below in Table 3.2.

Table 3.2: Findings related to the effectiveness and efficiency of the Office’s complaints management processes

Survey	Finding
Agency satisfaction survey (2019)	<ul style="list-style-type: none"> • Timeliness in reporting, passing on assisted referrals, seeking further information or closing an investigation could be improved. • The amount of information requested by the Office could be streamlined. • The adequacy and accuracy of information provided by the Office could be improved. • The ease of providing information to the Office could be enhanced.
Complainant satisfaction survey (2020)	<ul style="list-style-type: none"> • Communication could be more timely and proactive.^a
Agency satisfaction survey (2021)	<ul style="list-style-type: none"> • Timeliness of investigations, responsiveness to queries and perceptions of impartiality had improved since 2019. • The method of interaction with agencies could be more collaborative. Knowledge and understanding of agency processes could be improved. Clarity and volume of information requests could be enhanced.

Note a: Dissatisfied complainants cited a lack of proactive communication, calls not being returned and having to wait long periods of time to receive a response.

Source: ANAO analysis of the Office documentation.

3.17 Both the complainant and agency satisfaction surveys form the basis of the Office’s measurement of performance against the targets identified in paragraph 3.9 above. For the measurement of complainant satisfaction, and the measurement of agency satisfaction with the quality of the Office’s work, the surveys’ results did not clearly reconcile with the performance targets. The ANAO considers that:

- for the complainant survey, the Office clearly identifies the survey methodology, and the justification for the use of neutral scores, which generates the average scores to measure complainant satisfaction; and
- for the agency survey, the Office clearly identifies in the survey how the measurement of agency interactions with the office measures agency satisfaction with the quality of its work.

Addressing the surveys

3.18 The 2021 agency satisfaction survey outcomes were presented to the SLG in July 2021 and no further action was identified as needed. The surveys contain information into agency and complainant views on the Office’s effectiveness and timeliness of its complaints management

processes.⁴⁶ In July 2020, the 2019 and 2020 survey outcomes and action items were presented to the SLG. Table 3.2 shows the five action items that related to the effectiveness or efficiency of the Office's complaints management processes.

Internal audits

3.19 In March 2021, an internal audit of the parliamentary complaints contact centre function was completed. The audit assessed the effectiveness of contact centre processes for parliamentary complaints. The audit found that the contact centre function was supported by clear, defined, and well-structured processes. The report made one 'low-risk' recommendation that the Office:

should investigate the feasibility of strengthening the monitoring of complaint actions to enable early corrective action for delays and enhance the [Office's] performance results.

3.20 The Audit and Risk Committee monitored the recommendation from the parliamentary complaints contact centre function internal audit.

3.21 The Industry Branch was created in June 2018 as a result of a restructure of the Office. No internal audits were conducted on the industry complaints function during the audit timeframe.

Other initiatives

3.22 The Office conducts other initiatives to review and improve its complaints management processes. In the audit period, seven initiatives considered the effectiveness and efficiency of the Office's complaints management processes (see Table 3.3).

Table 3.3: Other initiatives of the Office's complaint management processes

Date	Initiative	Purpose
February 2018	CMEB Lean management training	The Lean methodology is a continuous improvement system to remove waste, duplication and over production from work processes, while improving consistency and work flow and releasing capacity.
September 2018	Industry Complaint Intake Project	The aim of direct intake was to support a one-touch approach to the large volume of VET FEE-HELP complaints being received, to manage industry complaints more efficiently and provide a more responsive and timely service to complainants.
August 2019	Industry 'Lean Thinking' workshops	The Lean methodology is a continuous improvement system to remove waste, duplication and over production from work processes, while improving consistency and work flow and releasing capacity.

⁴⁶ For example, the:

- November 2019 survey (N = 15 agencies) requested feedback on procedural factors, including timeliness of investigations processes;
- June 2020 survey (N = 1,503 complainants) asked for ratings on complaint handling attributes, including responsiveness; and
- July 2021 survey (N = 12 agencies) requested feedback on procedural factors, including timeliness of the investigations process.

Date	Initiative	Purpose
December 2019	Review of the CMEB Work Practice Manual	To review and refresh the Work Practice Manual to develop consistent, clear and accessible guidance to staff to ensure they meet the Office's commitment to provide an efficient, effective and accessible complaint-handling service to those who contact the Office.
February 2020 ^a	Pilot Complaint Assurance Project	The Office engaged three agencies in a process of self-assessment and oversight to foster agency-led improvements in complaint handling.
July 2020	Review of Private Health Insurance complaint reporting and quality assurance processes	To: <ul style="list-style-type: none"> • update its Private Health Insurance complaint reporting terminology to better align with other jurisdictions and to address feedback raised by industry stakeholders; and • introduce a new, more streamlined approach to the audit of Private Health Insurance complaints, with audit related tasks shared between strategy and investigations sub-teams within the branch
October 2020	Review of CMEB workflow, structure and roles	To review implementation of prior changes to CMEB in 2018 and 2019 and make recommendations for further changes to complaint flows.

Note a: The pilot Complaint Assurance Project was initiated in February 2019. The lessons learnt were published in February 2020.

Source: ANAO analysis of the Office documentation.

3.23 These initiatives have identified strengths and areas for improvement in the Office's complaints management process. For example:

- the Lean management training in February 2018 and August 2019 identified issues and proposed areas for improvement, such as developing an improved and fully integrated smart form or complaints portal, to the SLG; and
- the pilot Complaint Assurance Project⁴⁷ found that the Office resolved complaints within service standards.

Review of procedures

3.24 The Office does not have arrangements to review its complaint handling procedures. For example, the Office's Parliamentary Complaint Handling Procedures have not been subject to review since December 2019. All 14 procedures are overdue for review.⁴⁸ Industry complaints guidance does not contain review dates.

⁴⁷ The project involved the Department of Employment, Australian Federal Policy/ACT Policing, and the Office's own CMEB. It consisted of a two-step process of targeted self-assessment, followed by a desktop review and analysis of each agencies complaint handling system.

⁴⁸ Five were due for review in September 2020, three in October 2020, and six in December 2020.

Does the Office use results from monitoring and reviewing its complaints management processes to drive continuous improvement?

The Office has recently established processes to track implementation of actions and determine whether intended outcomes or process improvements are achieved. Prior to this, the Office did not consistently monitor the implementation of review findings or measure the success of continuous improvement initiatives.

Action items

3.25 Prior to July 2021, the Office either used inconsistent enterprise level processes to track the implementation of major review or survey recommendations, or did not track them. Table 3.4 summarises ANAO's assessment of the extent to which monitoring and implementation occurred for reviews completed prior to July 2021.

Table 3.4: ANAO assessment of initiative monitoring and implementation

Initiative	Recommendations	Office assessment of implementation	ANAO assessment of implementation
CMEB Lean management training	19 recommendations.	The Office advised that: <ul style="list-style-type: none"> as Lean is an iterative and real time process, monitoring of implementation was not appropriate; and detailed visibility of the Lean process and the efficiencies which were being realised. 	18 recommendations implemented. One was a long-term recommendation not yet implemented.
Industry 'Lean Thinking' workshops	37 recommendations.	Some outcomes achieved and others put on hold. Internal restructures and complaint handling changes have rendered many recommendations obsolete.	Eight agreed recommendations implemented. 29 recommendations not implemented.
Review of the CMEB Work Practice Manual	A comprehensive review of the manual is required.	Minor updates made to the manual, with plans to update further as part of a knowledge management project.	Implemented.
Pilot Complaint Assurance Project	Nine recommendations with 23 action items.	Update provided to the SLG prior to project completion.	Implemented.

Initiative	Recommendations	Office assessment of implementation	ANAO assessment of implementation
Review of Private Health Insurance complaint reporting and quality assurance processes	No recommendations. Suggested process improvements submitted by survey respondents.	Changes to an information factsheet were implemented and provided to the SPB for information in June 2021.	Implemented.
Review of CMEB workflow, structure and roles	No recommendations. Restructure proposed.	Branch restructured into four teams.	Implemented.

Source: ANAO analysis of the Office documentation.

3.26 Table 3.4 shows that the Office's monitoring processes did not provide assurance that the Industry Lean Thinking workshops recommendations had been implemented, or justification as to why implementation had not occurred.

3.27 In July 2021, the Office introduced a Monitoring Recommendations Policy, and Monitoring Recommendations Procedure, to support internal monitoring of recommendations made and received by the Office. The Office advised that this process requires business areas to take ownership of relevant recommendations, commit to an action plan and timeframe for implementation and provide assurance on the closure of recommendations to the SPB.

3.28 In February 2022, the Office endorsed the Internal Recommendations Monitoring and Assurance Procedural Instruction to track recommendations arising from internal assurance activities. Assurance over the closure of recommendations is provided by the Senior Assistant Ombudsman or Deputy Ombudsman — dependent on the level of the risk of the recommendation — and closures are provided to the Office's Audit and Risk Committee for endorsement.

Intended outcomes

3.29 The Office does not consistently measure the outcomes of continuous improvement initiatives. Except for one review⁴⁹, the Office did not use monitoring and review activity to measure the impact of process improvement or intended outcomes.

3.30 The Office does not have an evaluation strategy or performance framework to measure the impact of process improvements on the effectiveness and efficiency of its complaint management processes. Monthly complaint handling statistics provide some insights into intended outcomes. For example, meeting service standard targets.

3.31 The processes outlined in paragraphs 3.27 and 3.28 currently enable the Office to monitor and implement internal and external recommendations. The Office is currently conducting an enterprise level quality assurance framework review. The review will focus on quality assurance practices across CMEB and Industry Branch. The review is expected to be completed in June 2022.

⁴⁹ The Office conducting a three-month post implementation review of industry complaint handling performance, to determine whether wait times and abandonment rates had decreased after workflow changes.

Recommendation no. 1

3.32 The Office of the Commonwealth Ombudsman establish an enterprise level monitoring and assurance framework to monitor and drive continuous improvement.

Office of the Commonwealth Ombudsman response: *Agreed.*

3.33 *The Office accepts this recommendation. The Office is committed to continuous improvement and has already commenced work in response to this recommendation. A review of our quality assurance mechanisms is currently underway and will inform the development of an enterprise framework to be implemented in the coming financial year.*



Grant Hehir
Auditor-General

Canberra ACT
23 June 2022

Appendices

Appendix 1 Entity response



10 June 2022

Mr Grant Hehir
Auditor-General
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Dear Mr Hehir

Thank you for the opportunity to respond to the Australian National Audit Office's (ANAO) report on its *Management of Complaints by the Office of the Commonwealth Ombudsman* performance audit. The Office of the Commonwealth Ombudsman (the Office) welcomes this ANAO performance audit and acknowledges the valuable role the ANAO plays in providing independent assurance that our Office has an effective process in place to manage complaints.

An effective and efficient complaint handling body is important to improving public administration and ensuring the delivery of high-quality programs and services to the Australian community. The Office is proud of providing this service to the Australian community since 1977.

We welcome the ANAO's conclusions in this report that the Office:

- is largely effective at managing complaints directed to it
- has fit-for-purpose arrangements in place to support the effective handling of complaints
- has a complaints process that is accessible, clear and mostly responsive to the public, and is managed in accordance with the Office's complaints framework, and
- undertakes work to reduce access barriers to indigenous communities and people living with a disability.

The Office accepts the ANAO's recommendation for the Office to establish enterprise level monitoring and assurance frameworks to drive further improvement in complaint handling. I am pleased to advise the Office has already commenced a review of our current quality assurance mechanisms which will inform the development of an enterprise framework to be implemented in the coming financial year. We will also actively consider the suggestions made by the ANAO throughout the report to further enhance our complaint management effectiveness and efficiency.

I would like to thank the ANAO for your collaborative and collegiate approach throughout the audit process. We value your independent oversight.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Penny McKay".

Penny McKay
Acting Commonwealth Ombudsman

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Appendix 2 Improvements observed by the ANAO

1. The existence of independent external audit, and the accompanying potential for scrutiny improves performance. Improvements in administrative and management practices usually occur: in anticipation of ANAO audit activity; during an audit engagement; as interim findings are made; and/or after the audit has been completed and formal findings are communicated.
2. The Joint Committee of Public Accounts and Audit (JCPAA) has encouraged the ANAO to consider ways in which the ANAO could capture and describe some of these impacts. The ANAO's 2021–22 Corporate Plan states that the ANAO's annual performance statements will provide a narrative that will consider, amongst other matters, analysis of key improvements made by entities during a performance audit process based on information included in tabled performance audit reports.
3. Performance audits involve close engagement between the ANAO and the audited entity as well as other stakeholders involved in the program or activity being audited. Throughout the audit engagement, the ANAO outlines to the entity the preliminary audit findings, conclusions and potential audit recommendations. This ensures that final recommendations are appropriately targeted and encourages entities to take early remedial action on any identified matters during the course of an audit. Remedial actions entities may take during the audit include:
 - strengthening governance arrangements;
 - introducing or revising policies, strategies, guidelines or administrative processes; and
 - initiating reviews or investigations.
4. In this context, the below actions were observed by the ANAO during the course of the audit. It is not clear whether these actions and/or the timing of these actions were planned in response to proposed or actual audit activity. The ANAO has not sought to obtain assurance over the source of these actions or whether they have been appropriately implemented.
 - (a) The Office of the Commonwealth Ombudsman (the Office) reviewed its performance monitoring approach, considering how to consolidate all aspects of performance reporting.
 - (b) The Complaints Management and Education Branch was restructured in October 2021.
 - (c) The Office considered how to best redesign the website, as a result of a website review in July 2021 against the highest accessibility standards.
 - (d) The Office started the Knowledge Management Project, to collate all the information staff 'need to effectively engage with complainants and manage complaints'. This involved updating the procedures and training and induction tools. It is due to be finalised by the end of the July 2022. The original project focused on the Complaints Management and Education Branch but was expanded to include the Industry Branch in February 2022.
 - (e) A recently developed Monitoring Recommendations Policy and Procedure (approved in July 2021) sets out the Office's approach to recording and monitoring the implementation of recommendations made and received by the Office.
 - (f) A recently developed Internal Recommendations Monitoring and Assurance Procedural Instruction (endorsed on 18 February 2022) and is in early stages of implementation with

first round of reporting presented at the Audit and Risk Committee meeting on 1 March 2022.

- (g) The Office is conducting an enterprise level quality assurance framework review to focus on quality assurance practices across CMEB and Industry Branch (scoped in December 2021) and is expected to be completed by the end of June 2022.

Appendix 3 Complaint-related sections of the *Ombudsman Act 1976*

Table A.1: Complaint-related sections of the *Ombudsman Act 1976*

Section	Summary
5	<p>Functions of Ombudsman</p> <p>The Ombudsman shall investigate actions relating to administration by an entity or prescribed authority</p> <p>The Ombudsman is not authorised to investigate action:</p> <ul style="list-style-type: none"> • taken by a Minister; • that constitutes parliamentary proceedings; • taken by a Justice or Judge of a court created by the Parliament; • taken by court staff when exercising the powers of a court; and • relating to Australian Public Service employment.
6	<p>Discretion not to investigate certain complaints</p> <p>The Ombudsman may, in his or her discretion, decide not to investigate a matter further if:</p> <ul style="list-style-type: none"> • the matter is more than 12 months old; • the complaint is considered frivolous, vexatious or not in good faith; • the complainant is not sufficiently interested in the matter; or • an investigation is not warranted having regarded all the circumstances. <p>Where a person has not complained to the entity with respect to that action, the Ombudsman may decide not to investigate the action until the complainant makes a complaint to the entity.</p>
7A	<p>Preliminary inquiries</p> <p>The Ombudsman may make inquiries of the entity for the purposes of determining whether a matter may be investigated further.</p>
8	<p>Investigations</p> <p>The Ombudsman shall inform the entity they are to be investigated. Investigations are to be conducted in private and in such matter as the Ombudsman thinks fit.</p>
12	<p>Complainant and entity to be informed</p> <p>Where the Ombudsman decides not to investigate an entity, the Ombudsman shall inform both the complainant and entity.</p>
19Q	<p>Discretion not to investigate certain complaints</p> <p>Postal Industry Ombudsman version of section 6.</p>
19R	<p>Applications of other provisions of this Act to the Postal Industry Ombudsman</p> <p>Extends sections 7A, 8 and 12 powers to Postal Industry Ombudsman matters.</p>
19ZL	<p>Discretion not to investigate certain complaints</p> <p>Overseas Students Ombudsman version of section 6.</p>
19ZM	<p>Applications of other provisions of this Act to the Overseas Students Ombudsman</p> <p>Extends sections 7A, 8 and 12 powers to Overseas Student Ombudsman matters.</p>

Section	Summary
20M	Deciding not to deal with a complaint Private Health Industry Ombudsman version of section 6.
20ZR	Deciding not to investigate complaints VET Student Loans Ombudsman version of section 6.
20ZS	Application of Act to VET Student Loans Ombudsman Extends sections 7A and 12 powers to VET Student Loans Ombudsman matters.

Source: ANAO summary of provisions of the *Ombudsman Act 1976*.