

**Division 2: Parliamentary Commissioner for Administrative Investigations, \$7 410 000 —**

Ms L.L. Baker, Chair.

Mr P.B. Watson, Speaker of the Legislative Assembly.

Mr C.J. Field, Parliamentary Commissioner for Administrative Investigations.

Mrs G.M. White, Deputy Parliamentary Commissioner for Administrative Investigations.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The Speaker may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the Speaker to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the Speaker's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if the Speaker asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

The Leader of the Opposition has the call.

**Dr M.D. NAHAN:** I refer to page 49 of budget paper No 2. Under "Service Summary", the total cost of service for the Parliamentary Commissioner for Administrative Investigations has gone from \$11.4 million to \$9.9 million—a 12.7 per cent reduction in service costs. Could the Ombudsman explain the source of that?

**Mr C.J. Field:** I thank the honourable Leader of the Opposition for his good question. The principal reduction in costs from 2017–18 to 2018–19 really arises from issues around reductions that we have achieved through a continuous improvement program that we have put into place in relation to our particular costings and our delivery of complaint resolution services. In 2007, when I first commenced in this office, there was a very clear understanding that we ought to reduce the costs of our complaint handling but also increase access to justice. We achieved an around 36 per cent decrease in the cost of delivering resolutions to complaints at that time. We also very significantly reduced the average time of answering complaints from around 170 days to around 40 days. That was never meant to be a static or one-off program, and it has been very much the case that I, my corporate executive and the outstanding deputy I have working with me have always been about continuing to improve. We have had a number of voluntary separations during the period—some under the government's voluntary targeted separation scheme and some initiated by us. I stress, of course, they are all voluntary, and they really will in the long term give us a very sustainable budget footing to still be able to deliver the same quality of services that the Parliament has hitherto expected of me and I can continue to guarantee can be provided.

[9.40 am]

**Dr M.D. NAHAN:** If this is a continual reform agenda going back 12 years, my issue is that there is a very sharp reduction in 2017–18 to 2018–19—a one year drop of 12.7 per cent. If it was a continuous assessment, we would expect back to 2016–17 to see some reduction. There was some, to be fair. There is no reduction in FTEs this year; there are 66. It is a very sharp reduction in expenditure in one year. There is no reduction in FTEs, which, in the Ombudsman's case, is the largest individual source of cost.

**Mr C.J. Field:** Absolutely.

**Dr M.D. NAHAN:** When we look to the spending changes, they do not add up to much.

**The SPEAKER:** Mr Field.

**Mr C.J. Field:** Let me be even more precise for the Leader of the Opposition, because I think it is really warranted by his question. The 2017–18 budget was \$10 148 000 and the budget estimate for 2018–19 is \$9 985 000, so it is actually a really modest reduction. The estimated actual in 2017–18 is higher because there are some one-off expenditures in that year that fund that voluntary separation process. We are spending some money that is over budget and approved through the Expenditure Review Committee process and that is based on the idea that we are trying to say that we want to make sure that we can continue to deliver our services as efficiently as possible—so through the ERC process, we were able to obtain some additional spend, and that is a one-off. The Leader of the Opposition will see from the \$9 985 000, 2018–19 out years, it is just a cost-escalating increase. The figures for

2017–18 compared to those of 2018–19 are a very modest reduction, so it is really in the 2017–18 estimated actual. The actual is based on the fact that we have incurred some voluntary separation expenditures that have been approved by the ERC. They are one-off, so they will not continue into the future.

**Dr M.D. NAHAN:** The biggest one-off was the Ombudsman’s management of the streamlined budget process incentive program of \$1 million. That is under spending changes for 2017–18 on page 48 of the *Budget Statements* that shows additional moneys of \$1 million for the 2018 streamlined budget process complaint resolution service and voluntary separations.

**Mr C.J. Field:** Exactly. The SBP—streamlined budget process—was I think about \$66 000, and that was to do with some complaint increases. It is as the Leader of the Opposition precisely says: it boiled down to our looking at where we were a couple of years ago. We made decisions based on asking: could we do things more efficiently? We were mindful of overall economic circumstances and cycles, so we looked at voluntary separations as opposed to the voluntary targeted separation scheme and our own initiated ones, and went back to the ERC and said that we needed one-off funding for this year. That is that line item the Leader of the Opposition is referring to. It should also be said that they were funded from cash on hand, as my deputy has reminded me. They were not funded from new appropriations from the government or from the taxpayer, of course, very much in keeping with our longstanding policy to spend the least amount of taxpayers’ dollars as possible; they were funded from cash on hand.

**Mr Z.R.F. KIRKUP:** On page 50 in relation to efficiency indicators, there is reference to the cost of monitoring and inspection functions. I am keen to understand the cost associated with that, which is nearly half a million dollars. Why is it slightly under the budget estimate and the target slightly more expensive? I am trying to understand that function.

**The SPEAKER:** Mr Field.

**Mr C.J. Field:** I thank the member for his question. We have a range of inspection monitoring functions that Parliament has granted us over time, particularly in relation to telecommunications intercepts and criminal organisation control, sometimes referred to as bikies legislation, of course. In all those functions, as with all our functions, we are trying to provide them at least cost. We are always looking for any efficiencies we can have in relation to those particular functions. Our aim is always, in any given year, to deliver below budget and get that on a trend basis and reduce the targets as well. Once again, it would stretch credulity if, every single year, we were under that. It just means the target should go down. It is an interesting observation about the Ombudsman in 2018, not just here but in other states and, indeed, internationally, that we have moved from the more traditional roles of complaint handling and major royal commission–type investigations to these functions, which Parliament has asked me to do.

**Mr Z.R.F. KIRKUP:** I appreciate that response. I am trying to understand for that figure how many inspections are undertaken or the like.

**Mr C.J. Field:** Thank you, honourable member. We put in our annual report the number of inspections we do. We are required, for example, under the telecommunications intercept legislation, I think, to undertake two to four a year. We tend to do a little bit more than that. It is done differently around the country. I think the commonwealth does it all in one hit. It sends its staff out and they spend weeks in an organisation, some very regularly. We find the most efficient process—no disrespect to the commonwealth—is to do it on a slightly more regular basis. The criticality is this: the number of inspections is a relevant consideration because we think more tends to be slightly more efficient. Even though that might sound slightly counterintuitive, that is our experience. It is really about making sure that warrants and matters that have to be inspected are inspected in a way that gives us the confidence that we can report to the relevant minister about compliance with the relevant legislation, so it funds the amount of inspections required to give that level of confidence.

**Mr Z.R.F. KIRKUP:** In that case, it is entirely to make sure the Ombudsman meets the statutory obligations and nothing in excess of that?

**Mr C.J. Field:** Honourable member, that is absolutely correct. We never do any more inspections than required to satisfy me as the principal inspector that we are satisfying our obligations.

**Dr M.D. NAHAN:** For my purposes, can the Ombudsman describe his role around water and energy complaints?

**Mr C.J. Field:** Leader of the Opposition, I am delighted to do so. Our principal role, of course, is that of the Ombudsman and officer of this Parliament. I am also asked to do some other roles in this state—one is the chair of the State Records Commission, and in relation to the Leader of the Opposition’s question about the energy and water Ombudsman, it covers electricity, gas and water. We take complaints from citizens about those matters that are in jurisdiction—mainly the provision of services as we understand it of electricity, gas and water. Some matters are outside my jurisdictions such as policy matters, tariff increases and other matters. In that particular area, we

resolve complaints through a methodology of early dispute resolution. But ultimately—this is a point of difference from a parliamentary Ombudsman’s traditional model—we have determinative powers, so we can determine a dispute as opposed to making a recommendation at the end of an investigation.

**Dr M.D. NAHAN:** The focus is mainly on households, I take it.

**Mr C.J. Field:** Honourable member, absolutely. The Leader of the Opposition is absolutely correct and it is principally on households. It can go up to smallish businesses—for example, a bakery or something like that.

**Dr M.D. NAHAN:** What has been the growth in demand for the Ombudsman’s service for electricity, water and gas over the last few years, including expectations going forward?

[9.50 am]

**Mr C.J. Field:** I think this year the trend for complaints is down or very stable. We had some increase from 2015–16 to 2016–17. Over the time that I have been the Ombudsman, apart from one very significant spike in complaints many years ago, which, as a matter of public record, principally related to billing changes in the Synergy billing system, although it has not been a straight line, it has been a lumpy curve. We are not projecting anything like significant highs—the upper being 2016–17 compared with 2015–16 and back again this year.

**Dr M.D. NAHAN:** The Ombudsman deals not so much with difficulty paying bills, but lack of clarity with the billing process or disputes about the amount of energy or water consumed. With complaints, what type of issues does he deal with?

**Mr C.J. Field:** The Leader of the Opposition is 100 per cent correct. That is an excellent way to describe it. All around the country, 60 to 70 per cent of complaints that come to energy, water or telecommunication ombudsmen are based on billing. The bills may not necessarily be high bills, but that can be one reason. It can be misunderstanding of bills et cetera. We look at why people have concerns about their bills, but that will not necessarily be about a payment difficulty. Of course, we are very sympathetic and supportive to complainants who contact us and we may assist by referring them to other services in the state that can assist.

**Dr M.D. NAHAN:** As local members, we often get an increasing number of complaints about self-read bills or averaging over time for water and electricity—I do not know about gas. Is the number of complaints of that nature increasing?

**Mr C.J. Field:** Can I make an incredibly quick digression to say that a lot of the helpful information we get about complaints at our office is from local members of Parliament. We are always sincerely appreciative of that. We regularly take those calls at my office and it is a welcome source of complaints. The matter the member raised about estimated reads or billing reads is absolutely a source of complaints to my office. I would have to check whether the number is going up or down. I have been told by my deputy that it is about stable, but neither of us would want to guess in this place. With the indulgence of Mr Speaker and Madam Chair, I can certainly provide the Leader of the Opposition with precise figures on that if he would like us to do so.

**The CHAIR:** Is further information going to be provided?

**Dr M.D. NAHAN:** No.

**The CHAIR:** No? The member is not requesting that, but thank you for the offer.

**Mr Z.R.F. KIRKUP:** My question relates to the asset investment program on page 51. I note that it is usually \$208 000, but for 2019–20 it is \$242 000. I am keen to understand what the jump in the AIP is.

**Mr C.J. Field:** I am incredibly sorry to the honourable member, who is always very generous to my office with his questions, but I wonder whether that could be repeated.

**The CHAIR:** Member for Dawesville, would you like to repeat your question, please?

**Mr Z.R.F. KIRKUP:** In relation to the asset investment program on page 51, I note that in 2018–19 it was \$208 000 and now it is \$242 000. I am keen to understand what that increase is, if we can.

**Mr C.J. Field:** I thank the honourable member for his question. I hate to speak the entire time so, with the indulgence of Mr Speaker and Madam Chair, I will hand to my deputy.

**Mrs G.M. White:** Lower down on that page, the member will see \$34 000 funded by internal funds and balances, which was a carryover for some capital expenditure that we had deferred from a previous year. That increase is to make up that capital expenditure in the next year.

**Dr M.D. NAHAN:** On page 49, I read that one of the Ombudsman’s remits is the review of overseas student appeals. It is a very important industry. Could the Ombudsman give us a run-down of the pattern of demand and the types of issues he deals with? I had no idea that he dealt with that area.

**Mr C.J. Field:** That is an excellent question. Mindful of the time, I will answer in two parts, but briefly. As a general matter, we have jurisdiction to take complaints from students at university. Of course, the jurisdiction of the Ombudsman is principally for state government, public authorities and departments, local governments and also for universities in the state. A separate jurisdiction is covered by a national code—that is, appeals in relation to overseas students. Of course, it is a very important market for this state and this economy and one that we all welcome. But it is important that there is a protection mechanism for appeals for overseas students. What do they principally relate to? They usually come around the time when people have a concern about marks and other matters that would otherwise see them not be able to retain their course placement. Of course, because of visa conditions, people have some concerns and we tend to get complaints at that stage. Off the top my head, I do not have the exact number of complaints, but it is included in the annual report. Once again, I would be delighted to provide that information either to the Leader of the Opposition's office privately or to the Parliament generally.

**The CHAIR:** Could you repeat for Hansard the content of the supplementary information?

**Mr C.J. Field:** I would be delighted to provide a precise number of the review of overseas student appeals or provide any other information that is sensible to provide related to that. I can go back over the last X number of years to give the Leader of the Opposition a picture of that.

**The CHAIR:** How many years would you like?

**Dr M.D. NAHAN:** I would like 10 years.

**Mr C.J. Field:** How about I go back as far as we have held that function.

[*Supplementary Information No A3.*]

**Dr M.D. NAHAN:** About four or five years ago we had a problem particularly with students from India in TAFE. There were some really serious issues. Have those eased in recent years?

**Mr C.J. Field:** I am not aware that that is a current issue with our complaint database. The Leader of the Opposition is absolutely right. Once again, I am very mindful of the need to provide critical access to justice and fairness for those students and the incredible economic importance of that market for us, which also has incredible connections to our culture and economic ties to our near Asian neighbours. They are very important issues and we take them seriously. I will provide any information I can sensibly provide. Although it is not strictly part of the estimates process, if the Leader of the Opposition's office has any further questions, it should not hesitate to contact my office if I can provide more information.

**The appropriation was recommended.**

[10.00 am]