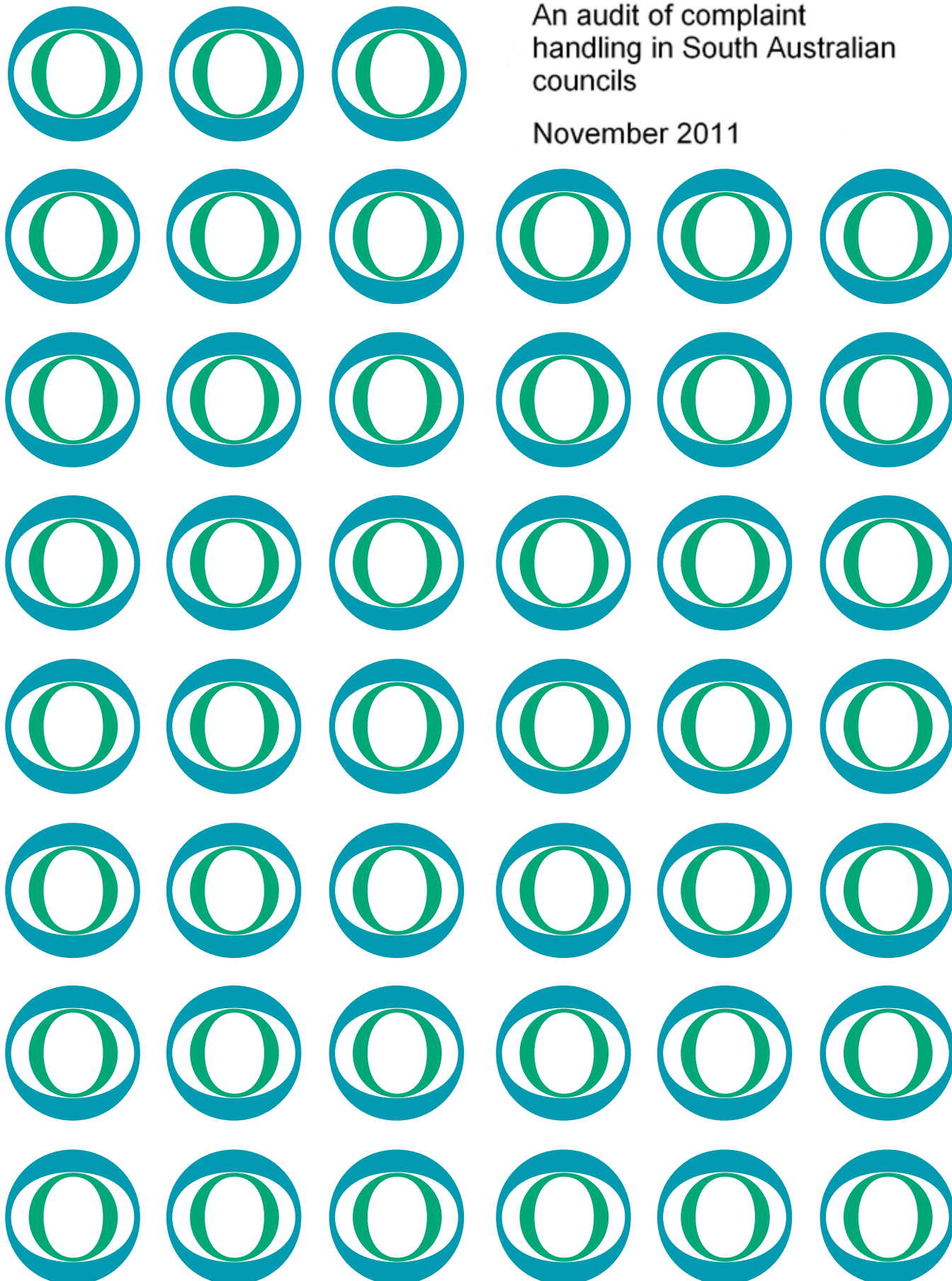


Ombudsman SA

VALUING COMPLAINTS

An audit of complaint
handling in South Australian
councils

November 2011



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FOREWORD

As Ombudsman for South Australia my principal function is to investigate and resolve complaints about public administration within state and local government.

Less obvious to the public and to state government and local government councils, is the focus of my office on administrative improvement and capacity building. In this context, a commitment to effective internal complaint handling mechanisms is fundamental to sound governance and responsive program and service delivery. Effective complaint management is a powerful tool in the resolution of issues before they become a problem. It can provide a remedy to a person who has suffered disadvantage, and can build good relations between local government and the public. Complaints can also be a key indicator of council strengths and weaknesses and a valuable resource for systems improvement.

Local government councils provide a range of critical services to communities across our state. It is often said that local government is the sphere of government closest to the people. That is true. The increasingly complex range of services provided to communities from our councils demands the highest standards of efficiency, accountability and responsiveness. Councils in South Australia deliver good services and generally have a strong customer service outlook. However, the process of handling complaints and the organisational learning and development elements of good complaint management are areas which require strengthening and improvement.

The audit report which follows is not the result of a fault-finding exercise. I see the powers of the Ombudsman as outlined in the *Ombudsman Act 1972* as essentially a vehicle for triggering improvements to administrative practices and procedures. Conducting an audit of complaint management necessarily assesses performance and exposes strengths and weaknesses. However, my overriding concern is to provide a resource and encouragement to councils and the local government sector for ongoing improvement of governance and accountability standards. The objective is the same as that we expect of state and commonwealth government agencies - excellent services from a competent administration which is responsive to the public.

This report outlines a range of opportunities and initiatives designed to improve complaint handling practices in local government. It also makes a number of recommendations for policy and legislative reform.

My office currently undertakes training activities to assist with agency complaint handling. As appropriate, we will continue to assist councils and their representative bodies to further improve complaint handling practices.

I take this opportunity to thank the twelve councils who cooperated with my office in the conduct of this audit. Together with a number of other interested councils, and with the Local Government Association of South Australia, I believe we have collaborated in a practical way to build capacity in this important area of public administration.

Richard Bingham
SA OMBUDSMAN

PUBLICATION OF THIS REPORT

Under section 26 of the *Ombudsman Act 1972*, I consider it appropriate and in the public interest to release this report to the Parliament of South Australia and to members of the public. Accordingly I will forward this report to the President of the Legislative Council and to the Speaker of the House of Assembly and councils, in addition to a general release on the Ombudsman SA website.

I am releasing the report for the following reasons:

- members of the community have a growing expectation that councils will act fairly and reasonably in making decisions that affect them; and where this has not occurred, they expect that councils will have in place a fair and effective process for reviewing their decisions
- to provide a resource for councils to use in further developing and refining complaint handling systems in compliance with state legislation and consistent with Australian Standards best practice.

I encourage all councils to consider and act on the contents of this report. I also encourage them to continue to cooperate with standards improvement initiatives, and to use all available complaints management resources and relevant regulatory and industry standards available to them.

EXECUTIVE SUMMARY AND AUDIT OPINION

Background

Raising standards for handling complaints and reviewing council decisions involves embracing a complaint valuing culture as a core element of council business.

In 2010-2011 my office received 794 local government complaints - a 16 per cent increase over the previous year. Of this number, 191 matters or 25 percent of the total workload, concerned complaint handling in councils. This is a significant number coming directly to my office that may otherwise be dealt with by councils.

Against this background, I decided to audit complaint management systems in a selected number of councils to assess whether they provide a reasonable means of resolving matters of complaint.

Section 14A of the *Ombudsman Act 1972* provides as follows:

- (1) If the Ombudsman considers it to be in the public interest to do so, the Ombudsman may conduct a review of the administrative practices and procedures of an agency to which this Act applies.

The focus of the audit was on general complaints and the use of statutory provisions under section 270 of the *Local Government Act 1999*. The audit was intended to collect information about the methods and standards of complaint handling across local government, establish what best practice is, identify any gaps, and make suggestions for improvement.

I also intended that the audit should consider any means by which communication between councils and my office can be improved.

The audit did not include complaints related to the conduct of elected members under council codes of conduct, or matters clearly covered by complaint mechanisms under other legislation.

I selected twelve councils for audit, having regard to each of the state government regions and what I considered to be a good spread of population densities, geographic locations and council size.

Audit opinion

The evidence from this audit indicates that councils take management of complaints seriously and are acting to improve their standards of practice. The audit has identified scope for improvement in existing arrangements and appropriate action needed to eliminate the risk of non compliance with the *Local Government Act 1999*.

The recommendations made are primarily around council culture, standards, systems improvement and implications for the legislative and regulatory framework.

Summary of audit findings and recommendations

I list below a summary of my findings and recommendations under the headings which I adopted for the conduct of the audit.

A complaint valuing culture

Finding

1

Audited councils displayed a commitment to improve all aspects of general complaint handling and mostly had a sound understanding of quality management principles - specifically a consumer focus. A complaint valuing culture is seen as desirable and achievable by all participating councils.

Recommendation

That all councils promote a complaint valuing culture and revise policy and procedures to incorporate the three elements of quality management principles, improved accountability and better decision making.

Policy development and standards

Finding

2

The standard of complaint handling policy and procedure documents across audited councils is inconsistent and incomplete. Model Complaints Policy development and the use of recognised standards across the sector are desirable. Consideration should be given to bringing together general complaints and existing section 270 policy instruments.

Recommendation

That all councils review their general complaints and internal review of council decisions policy and procedures documents to establish best practice and comply fully with the requirements established by law.

Defining complaint procedures and requests for service

Finding

3

Distinguishing complaints from requests for service is an area where systems and standards are inconsistent and inadequate across councils. Defining a graduated system of complaint handling procedures is appropriate practice. Classifying complaints into a hierarchy of merit is not.

Recommendation

That all councils establish a clear process of internal graduated complaint handling; including first point of contact, optional referral to senior staff for investigation and section 270 internal review procedure. A model for consideration is outlined at Figure 16.

Figure 16: a graduated model for internal complaint handling

Stage 1: First point of contact

Staff empowered with clear delegations to resolve complaints wherever possible at first contact (not necessarily front counter). Staff log complaint details, including outcome, and report to management.

|

Stage 2: Second point of contact (optional)

More senior staff or designated complaint officer reviews or investigates unresolved complaint. Matter is resolved and reported to management team - or referred to Stage 3 process. (This step is not necessary if the complaint should go directly to Stage 3).

|

Stage 3: Internal review of council decision

Formal section 270 process involving senior staff independent of the matter under investigation and/or a review officer appointed from another council or external panel. A written report to the management team and to the council is essential.

Complaint management information systems**Finding**

Audited councils' complaint handling information systems have a diverse range of capability and are currently limited in performance. Recording, workflow and centralised reporting features are essential to sound complaint handling processes. There are opportunities for councils to share resources, expertise and new technologies in this area.

Recommendation

That all councils have in place systems to enable logging, tracking and analysis of complaints and to separate these from requests for service. This should include a system for monitoring complaint outcomes, the implications for council policy and decision making and the identification of systemic weaknesses and underlying problems.

4

Information for the public

5

Finding

Audited councils all recognise the importance of clear, concise and relevant complaint handling information for the public. Good practice in website design and printed material is currently the exception rather than the rule. Councils have work to do to include the minority groups of their local communities in their communication strategies.

Recommendation

That all councils highlight a direct link on their website homepage to a plain English description of the policy and procedures for making complaints. This should include rights of review and (if chosen) an opportunity for registering a compliment or making a comment.

Monitoring complaints at senior management level

6

Finding

Senior management monitoring and operational learning from complaints is currently limited in scope and infrequent across audited councils. A more comprehensive and regular oversight at the level of senior management is a desirable operational and strategic planning tool for councils.

Recommendation

That all councils regularly review complaints at the level of senior management. As appropriate, a summary should be prepared, including outcomes, for the council Annual Report.

Training matters

7

Finding

Audited councils value the capacity building benefits of staff training. They see upgraded training in complaint handling information systems, policy and procedures and unreasonable complainant conduct policies as an investment in improved service delivery.

Recommendation

That all councils prioritise training for staff in the appropriate handling of complaints, including an understanding of alternative dispute resolution approaches, and the in-house policy and procedures for section 270 internal reviews.

Communication with Ombudsman SA

Finding

8

Two way communications with the Ombudsman is an essential part of council complaint handling business. Ombudsman SA recognises that an improved reporting commitment to councils will assist monitoring of complaints, encourage more learning from investigations and improve annual reports to the public. A liaison officer role with Ombudsman SA is proposed for all councils.

Recommendation

That all councils establish a dedicated liaison officer role to facilitate information flow, analysis and learning from complaints handled by Ombudsman SA as related to that particular council.

Section 270: Internal review of council decisions

Finding

9

A majority of audited councils have section 270 internal review procedures in place which are not fully compliant with the *Local Government Act 1999*.

All councils will benefit from a more open and confident approach to use of section 270 reviews as a valid mechanism for achieving justice in individual cases and improving council decision making generally. The Local Government Association's work to develop a Model Complaints Policy is a valuable initiative for the local government sector.

Recommendation

That all councils ensure that their internal review of decision procedure is fully compliant with the requirements of section 270 of the *Local Government Act 1999*.

Further, that all councils consider a standard form of wording for exclusions and a statement about the exercise of discretion in accepting matters for review.

As an adjunct to development of complaints policy, councils should consider the merits of establishing a network or panel of independent reviewers from which to draw support for internal review processes.

The legislative and regulatory framework

Recommendation

10

That the Office for State/Local Government Relations continue to consult with the local government sector on the merits of a regulated Code of Practice for complaints and internal review of council decisions. If recommended, the code should establish minimum standards for complaint handling and incorporate recognition of the principles of administrative law.

Recommendation

11

That the Office for State/Local Government Relations facilitate occasional review of statutory requirements applying to complaints and internal review of council decisions with a view to maintenance of best practice standards and supporting the operational requirements of councils.

PART 1

INTRODUCTION

1.1 GOVERNANCE AND ADMINISTRATIVE LAW

1. The evidence from this audit indicates that councils take management of complaints seriously and wish to improve their standards of practice. Appendix B, recording council suggestions for practice and systems improvement, is instructive in this regard. Councils have expressed their need to improve training, upgrade information systems, use best practice policy/procedures approaches and communicate more openly with the public. These aspirations are welcome. They are entirely consistent with the objects set out in section 3 of the *Local Government Act 1999* (**Local Government Act**), specifically:
 - (b) to encourage the participation of local communities in the affairs of local government and to provide local communities, through their councils, with sufficient autonomy to manage the local affairs of their area; and
 - (c) to provide a legislative framework for an effective, efficient and accountable system of local government in South Australia; and
 - (d) to ensure the accountability of councils to the community;
2. Many councils have, for a variety of organisational development and compliance reasons, moved to put in place structures and processes for handling governance matters. Governance officers, general managers, directors and chief executives with a governance 'portfolio' are increasingly common in South Australian councils.
3. Underpinning these practical initiatives is a wider acceptance of the need for minimum standards across local government and a growing understanding of the principles of Australian administrative law. These provide a number of citizen rights and protections contained in legislation and the common law. Over time the courts have articulated a number of principles as important to ensure proper administrative decision making. They include:¹
 - A decision-maker must take into account all relevant considerations and not be guided by irrelevant considerations. The terms of the legislation conferring the power to make particular decisions will sometimes spell out what are relevant matters.
 - If legislation gives a designated person the power to decide something, no one else may require that person to make that decision in a particular way. The person can have regard to relevant rules or policies, but should not exercise a discretionary power in accordance with an administrative rule or policy without regard to the merits of the particular case.
 - Persons affected by a decision are usually entitled to procedural fairness, also known as natural justice, in relation to the decision. The actual procedure required will vary with the circumstances of the case. However, in general, the minimum requirements of procedural fairness are satisfied if the decision-maker is not biased and if the person affected by the decision is given a reasonable opportunity to comment on any relevant material adverse to the person.

Failure to act within a power, or to comply with specific statutory requirements or general administrative law principles, can result in an application being

¹ Overview of Australian Administrative Law System, Commonwealth Attorney General's Department, September 2006, page 5.

made by a person affected by the decision for review of the decision. The decision might be changed or reversed as a result of that application.

4. In essence, good administrative practice means the exercise of reasonableness, impartiality, fairness and ethics in the decision making processes of officials acting in the public interest. The double guarantee, of the public interest considered with the rights of individuals, is the objective of the public administration of any democratic state under the rule of law. As a sphere of government recognised under the *Constitution Act 1934*² these principles and standards apply equally to local government, as well as to the state and commonwealth realms.

In addition to the fundamentals of administrative law, policy approaches to councils' internal review procedures should incorporate guiding principles such as:

- a 'consumer' or 'customer' focus - meeting the needs of the community is core business
 - complaints are an opportunity to improve services and governance standards - not a nuisance
 - complainants will be helped and supported to make complaints (including through provision of simple and brief information on how to make a complaint, what the complainant's rights are, and how the matter will be progressed)
 - redress will be provided for justified complaints.
5. Other matters need to be articulated, such as the criteria on which a decision made by a council should be reconsidered on review; the resources required for review; confidentiality of information; and safeguards against victimisation and retribution. The intent of the *Whistleblowers Protection Act 1993* (**Whistleblowers Protection Act**) to facilitate reporting to appropriate authorities of maladministration, waste, and corrupt or illegal conduct, also needs to be considered. Similarly strategies to deal with unreasonable complainant conduct and reporting obligations should be addressed.

² *Constitution Act 1934*, Part 2A, section 64A.

1.2 THE CULTURE OF COMPLAINT

6. A fundamental issue in relation to handling complaints is the common human reaction to criticism of performance - defensiveness about the perception of doing the wrong thing. This is about 'negative attribution', in ordinary language, blame, being attributed to a council or its officers for not meeting ratepayer or public expectations. People make complaints because they are unhappy with a decision, the level of service they have received, or the behaviour of staff. It is important to find out precisely why complainants are unhappy. It is also important that an appropriate mechanism be employed to address the complaint promptly and fairly.
7. Based on the evidence presented to me I formed the preliminary view that, in general terms, South Australian councils take a practical and sensible approach in responding to complaints and requests for services. Allowing for some inconsistency in standards of practice, I believe most complaints are followed up and dealt with expeditiously. Grievances are addressed and resolved. Councils also have their fair share of complainants who act unreasonably or place unreasonable demands on the council. Managing this conduct can be time consuming and taxing on council staff, and must be supported adequately with policies and practices which give all staff appropriate back-up from senior management and council.
8. On the other hand there is evidence that there are many people who don't bother to complain despite having reason to do so. As the Australian literature on complaints shows, and as confirmed by impressions from the councils themselves, people often don't complain because:³
 - they don't know how to put their case
 - they feel their complaint won't change anything
 - they are too busy - or they think council is too busy
 - they can't find their way through council bureaucracy
 - they made an initial call but got a frosty response and took it no further
 - they asked to see a manager but were asked to fill in a form instead
 - they believe someone fairly junior might get blamed for the mistake
 - they don't want to be seen as a troublemaker
 - they are fearful of repercussions or retribution
 - they are concerned they won't be taken seriously.
9. Added to these attitudes is the practical difficulty many people experience in finding out how to make a complaint, i.e. who to talk to or what form to fill out. There are also cultural barriers which large organisations tend to establish which act against minority group access and system familiarity.
10. Broadly speaking, there are several types of requests and complaints which councils manage:
 - a. requests for services, e.g. potholes, footpath repairs, road sealing, mowing, overhanging trees, stormwater overflows, signage, dogs on leash, parking infringements, keeping animals, etc. In larger councils these may total tens of thousands of requests every year. Some of

³ Complaints Management in Councils, Practice Note No.9 - NSW Ombudsman and NSW Department of Local Government, July 2009, and SA council audit returns - various.

these present as a 'complaint' where a ratepayer may be, for example, reporting a pothole.

- b. service complaints - these are often about requests for services not followed up in what some people consider is a timely fashion in any one of the categories outlined above. They include complaints made about staff behaviour, noise emissions, parking infringements, road closures, speed humps, etc. These are common, but considerably fewer in number.
 - c. policy and regulatory complaints - a smaller number which relate to issues such as by-law making powers, traffic management, planning applications or public health matters. Some of these may become requests for internal review of council decision under section 270 of the Local Government Act. Others are covered by different statutes.
 - d. issues from the above two categories which are taken up directly with the Ombudsman and referred back to the council in the first instance.
11. As noted above, councils report they receive many 'complaints' which are, in fact, requests for service. Many councils have policy documents which differentiate between complaint handling in a customer service context and grievances related to requests for internal review of council decisions. Statements such as the following are common:
- Grievances may arise as a result of dissatisfaction with a decision about a policy, procedure, service or fee. All attempts will be made to resolve your concerns quickly and efficiently, without the need for formal applications for review to be lodged.⁴
12. Whilst a formal application for review under section 270 is mentioned here, many councils express this strong preference for avoiding the processes of statutory review. This is because they are inclined to try to resolve grievances informally, at the source, without recourse to investigations, meetings, staff time lost and formal reports to council. In short, the attitude is often expressed as: 'if we can resolve this without a formal review of decision then we will'. If not, the complainant may be better to go directly to the Ombudsman to have their complaint addressed - which is in fact what many people choose to do.
13. It may be argued that those individuals who have a complaint which they believe is sufficiently serious for review action to be taken will, *de facto*, prefer the review is undertaken externally to ensure fairness, accountability and a satisfactory outcome.
14. Equally it might be assumed that those individuals who retain an element of trust and goodwill towards the council they are complaining about, will, in the first instance, be prepared to work through processes of review involving a more senior officer or a special complaints officer appointed by council. In some instances the complainant may even be prepared to work through the issues with the officer who made the original decision, if they are confident of a fair hearing.

⁴ Customer Complaints Policy - a South Australian council.

15. This audit was concerned with improving the potential for complainants to express that confidence in their local council.

1.3 MAKING A VIRTUE OF COMPLAINTS

16. Standards Australia is an independent, not-for-profit organisation, recognised by the Australian Government as the peak non-government standards body in Australia. Standards Australia develops internationally aligned Australian Standards® that deliver a value or benefit to Australia. A revised standard for complaint handling in organisations, AS ISO 10002-2006, was approved by the Council of Standards Australia in February 2006. It is in current use in many government and non-government organisations across Australia.
17. Standards Australia defines a complaint as:

An expression of dissatisfaction made to an organisation, related to its products (services) or the complaints-handling process itself, where a response or resolution is explicitly or implicitly expected.⁵
18. Complaints come in all shapes and sizes - gracious, courteous, emotional, 'pent-up', angry, abusive, rude, annoyed, coldly reasoned and logical.⁶
19. Often they are based on a legitimate concern, but are poorly directed or articulated. Sometimes complaints have no basis in fact. Most complainants are genuine. However some behaviour is malicious or vexatious. In recent years, it appears that some complainant behaviour is driven by a mental health issue or a history of conflict with local authorities.
20. Councils must make judgement calls on every size and shape of complaint received. This takes organisational coherence, sound policy and procedures, management competence and effective training for staff from front-line to managerial level.
21. Complainants have a variety of needs as individuals potentially in conflict with an organisation. They need to be heard, to be understood and respected and they need to have their concern dealt with quickly and fairly. They also need to understand what can and can't be done to achieve an outcome.
22. Sometimes the 'surface message' in a complaint is about a service not being delivered as expected or a decision being rendered which is unacceptable. However, often the 'underlying message' in the complaint is about not understanding how service delivery is prioritised, or about how and on what basis decisions get made by council. In these instances an informal process of discussion and explanation often takes the heat out of the complaint and a resolution is reached amicably. In situations where a mistake has been made, people expect remedial action and sometimes an apology. Councils are good at delivering these outcomes on many issues which present at first point of contact. There is less evidence from the councils audited that they

⁵ Customer satisfaction - Guidelines for complaints handling in organizations (AS ISO 10002 -2006). Standards Australia, 2006, page 2 (edited).

⁶ At another level 'complaints' about accidents or damage caused by council maintenance work can lead to prompt remedial action which may have safety implications - such as a lawn mower damaging electrical wiring. In this instance the 'complainant' is acting as a citizen wishing to inform the council of an accident which may not have been noticed. In a council which routinely asks people to fill in forms to report all matters deemed a 'complaint' - the result may be that council is not told of a dangerous situation.

encourage the use of formal grievance procedures and documentation and reporting of internal investigations.

23. Research by Michael LeBoeuf on customer complaints, cited by Ergon Energy (a Queensland Government owned corporation), indicates the following:
 - Only 4% of dissatisfied customers complain. 96% leave without any communication with the business.
 - Of the 96% who leave, 91% will never return.
 - A typical dissatisfied customer will tell 8 to 10 people about the issues with your business - significantly more in global communications.
 - 1 in 5 dissatisfied customers will tell 20 people about the issues with your business.
 - It takes 12 positive service incidents to make up for one negative incident.
 - Seven out of 10 complaining customers will do business again with you if you resolve the complaint in their favour.
 - Of complaining customers, 95% will do business with you again if you resolve the complaint at the first contact.
 - On average, a satisfied complainer will tell 5 people about their problem and how it was solved.
 - 1-4% of customers systematically cheat businesses.
 - If complaining customers are treated with suspicion or rudeness, they will take a defensive position.⁷
24. Although this data is evidence of customer service preferences in the context of an energy distribution business, it is reasonable to suggest that many of these statistics would also apply, in a general sense, to customer service in local government. While there are differences between service delivery and governance activities, and accountability requirements are different in each sphere, the core issues are broadly similar.
25. In summary, many complaints represent the tip of the iceberg, complaints can damage reputations, complaints can be turned into a positive if resolved satisfactorily - and few people set out to complain maliciously.
26. In a positive sense, complaints represent an opportunity for a council to communicate with its constituent base to gain real feedback on performance - and to increase levels of trust and confidence. Because councils have an ongoing relationship with their consumers, i.e. they are not 'footloose' customers, there is a greater intensity and commitment in the relationship which increases the significance of accountability.
27. By rectifying service or decision making failures and shortcomings, councils can engage satisfied complainants as advocates for what they are attempting to do for their communities. In a 'complaint valuing' culture where continuous improvement is a feature of a council's ethos, there is a likelihood that the council's reputation for responsiveness and inclusiveness will grow. This is likely to lead to positive outcomes for management standards and organisational efficiency.

⁷ Rosemarie Price, Manager Customer Response and Improvement, Ergon Energy - citing Michael Le Boeuf from How To Win Customers And Keep Them For Life, Berkley Books, 2000.

1.4 LOCAL GOVERNMENT REFORM

The Local Government (Accountability Framework) Amendment Act 1999

28. In December 2008 the Minister for State/Local Government Relations released The Local Government Accountability Proposals Paper, which outlined a series of proposals aiming to improve the legislative framework for internal and external review of council administration and financial management. The Minister noted that proposed legislative changes would be accompanied by non-legislative guidance and support, building on an earlier decision to task the Office for State/Local Government Relations (**OSLGR**) with a more proactive role in statutory compliance and in providing advice to councils.⁸
29. The paper canvassed issues relevant to council internal grievance procedures and sought comment from the local government sector on proposed legislative amendments, some of which were subsequently enacted by the Parliament.
30. The *Local Government (Accountability Framework) Amendment Act 2009* amends sections 270 and 271 of the Local Government Act to:
 - insert a new broader requirement for councils to have policies, practices and procedures for dealing with service requests and complaints, directed towards dealing with requests and complaints in a timely, effective and fair way, and using information gained from the council's community to improve its services and operations (procedures for the formal review of decisions are retained as a specific requirement)
 - insert a regulation-making power, providing that policies, practices and procedures of a council under section 270 must be consistent with any requirement prescribed by the regulations
 - in section 271, add conciliation to mediation and neutral evaluation as an option for dealing with disputes between a person and a council, as part of, or in addition to the policies, practices and procedures established under section 270.
31. The amendments come into effect on 10 December 2011. As such I have made several references to the opportunity this upcoming change brings to policy making and general approaches to complaint handling practices in councils.

⁸ The Local Government Accountability Proposals Paper, Minister for State/Local Government Relations, December 2008, page i.

1.5 THE LOCAL GOVERNMENT ASSOCIATION GOOD GOVERNANCE ASSESSMENT PROGRAM

32. The Good Governance Assessment Program (**GGAP**) is an assessment tool developed by the Local Government Association of South Australia (**LGA**) which covers a range of council governance topics and elements, including a section on complaints management. Each topic is allocated a score using a rating system, with the assessment based on evidence that appropriate systems, policies and procedures are in place and functioning properly.
33. The assessment tool has been developed over recent years in response to an expressed need within the local government sector. It was piloted with seven councils in 2008 to test its usability and usefulness as a governance performance indicator. This included the independent validation of self-assessments for the pilot councils which resulted in a report and recommendations being provided to the LGA.
34. In October 2008 the LGA Annual General Meeting endorsed the rollout of the GGAP, comprising self-assessment, sample validation and annual reporting of results across the local government sector. In early 2010 the LGA State Executive endorsed the use of Local Government Research and Development Scheme funding for the validation of results of councils' self-assessments over a rolling five year cycle. This sampling program involves 13-14 councils per year and includes a combination of both regional and metropolitan councils.
35. Councils have also endorsed the conduct of a formal assessment of their performance in addressing their governance responsibilities.
36. The assessment document is a check list based assessment tool that has been developed specifically to assist councils to assess their governance processes, and help them to identify the core issues affecting good governance practices. This includes:
- **Required Elements** - which are statutory compliance requirements; and
 - **Good Practice Elements** - which are not statutorily required but should be adopted as part of better practice as they form the basis of effective good governance in the local government context.
37. GGAP documentation details the Required and Good Practice elements of the complaints management process. It cites the LGA's 2003 discussion paper, Internal Review of Council Decisions which the LGA re-issued in 2010. That paper notes that:
- A key element in providing open, responsive and accountable government is access by citizens to a fair process for the raising of grievances regarding council decisions, with confidence that these matters will be dealt with objectively, fairly, and in a timely manner.⁹
38. The GGAP is an important tool in assisting councils to develop a culture of 'complaint valuing', in the sense that positive handling of complaints, including section 270 reviews, is a business improvement opportunity. This is where

⁹ Internal Review of Council Decisions - a Discussion paper, Local Government Association of South Australia, 2010 (revised).

learning from mistakes is valued as both a method to improve customer service and a stimulus to higher standards of governance.

39. A summary of the conclusions drawn from the self-assessment tool by a sample group of 20 councils has been made for the years 2009-2010. Key issues requiring further attention and follow up were identified in late 2010 as:

- councils undertaking the GGAP had a section 270 procedure/policy in place. Most of the requirements in section 270 were included in each council's procedure/policy. However, the main deficiency was a failure to reference the requirements of section 270(2)(ca), namely:

in the case of applications that relate to the impact that any declaration of rates or service charges may have had on ratepayers—the provision to be made to ensure that these applications can be dealt with promptly and, if appropriate, addressed through the provision of relief or concessions under this Act;

- many councils did not prepare and consider the report required under section 270(8), namely:

(8) A council must, on an annual basis, initiate and consider a report that relates to—

- (a) the number of applications for review made under this section; and
- (b) the kinds of matters to which the applications relate; and
- (c) the outcome of applications under this section; and
- (d) such other matters as may be prescribed by the regulations.

(A number of councils noted that while they did not prepare and consider a separate report on section 270 applications received, they do include the relevant information in their annual report which is formally endorsed by council before publication.)

- training was required on the internal review of council decisions procedure/policy to ensure that both council members and relevant staff were more aware of this procedure/policy
 - more councils (all) to have a documented complaints handling policy other than the procedure/policy required under section 270 of the Local Government Act
 - more councils (all) to have a comprehensive complaints recording and monitoring system
 - more councils (all) to take the opportunity to meet with Ombudsman SA (either regularly or following an investigation) to review complaints the office received about the council's actions and explore relevant improvements to their processes and/or systems.
40. These findings provide a sector-determined benchmark against which some of the audit findings may be compared.

1.6 INTERSTATE PERSPECTIVES

41. Many state and territory jurisdictions in Australia have recently given attention to good practice elements in the management of complaint handling. Some have given a particular priority to internal review of agency decision making. A sample of recent jurisdictional approaches is as follows:

Queensland

42. Recent legislative changes have resulted in a new complaints process for Queensland councils. Section 268 of the *Local Government Act 2009* (Qld) requires each council to adopt a process for resolving administrative action complaints. Unlike the previous legislation, the current Act does not use the expression 'general complaints process' but refers to the 'process for administrative action complaints'. 'Administrative action complaint' and 'affected person' are defined in similar terms to the definitions of 'administrative action' and 'affected person' in the previous statute. However, the major difference is that the new Act takes a principles approach to requirements for policies and procedures to be in place, rather than a proscriptive process. There is evidence that under previous legislation formal complaints were being systematically avoided in favour of informal complaints handling processes.
43. The process for handling administrative action complaints is not outlined in the current legislation. However, section 268(4) authorises a regulation to be made to provide for the process for resolving these complaints.
44. In 2010 the Queensland Ombudsman conducted an audit of complaint handling processes in a sample group of 57 councils. The Ombudsman found that almost half the councils audited did not have a proper general complaints process as outlined by law. Many of those that did have one did not follow it properly. The Ombudsman found that councils had been relying too heavily on informal processes which resulted in inconsistencies in how complaints were dealt with and recorded. The Ombudsman recommended stronger and more flexible complaints process requirements, and that councils be required to report complaints handling in annual reports. The key recommendations have been accepted and have been incorporated into new regulations.¹⁰

New South Wales

45. The New South Wales *Local Government Act 1993* (NSW) does not require councils in that state to have a review of decisions or complaint handling mechanism. Whilst it is considered desirable for councils to do so, and most have mechanisms for both in place, the policy position is that these are matters for responsible decision making at local government level.
46. In the period June to August 2007 the NSW Ombudsman's office conducted a survey of complaint handling systems across 125 local councils. The survey found that many councils are diligent about dealing with individual complaints but have room for improvement in complaint data analysis, evaluating the effectiveness of their complaint handling systems and in the provision of training to staff in complaint handling. The final report noted that councils are failing to benefit from the opportunity presented by the information that can be

¹⁰ Complaints Matter - A review of the complaints management systems of local councils in Queensland, Queensland Ombudsman September 2010, pages vii, viii.

gathered from complaints to make systems changes and prevent further recurrences of the same problems.¹¹

47. In July 2009 the NSW Ombudsman and the then Department of Local Government joined forces to develop an 'information practice note' or guide to assist councils in the management and handling of complaints. The guide has been designed for use by councils to develop and implement effective complaints management systems. It has achieved recognition across Australia as an accessible and practical document which tackles the key issues in local government complaints management. In NSW the guide is strongly recommended by the current Division of Local Government as the minimum standard for complaints handling and review of internal decisions in councils.
48. The guide, known as Practice Note No.9, states that an effective complaints management system is an essential part of the provision of quality service in local government. It is one method of measuring community satisfaction and provides a useful source of information and feedback for improving a council's services. Complaint handling is also a key component of sound corporate governance and is fundamental to ensuring an appropriate level of accountability in the exercise of council functions.
49. The publication provides an analysis of the reasons people complain, and outlines how complainants should be treated. It provides a model approach to complaint handling and sets out the essential features of a complaints management system. It also addresses the issue of dealing with unreasonable conduct by complainants.
50. The information in the guide is based on the 2004 edition of the NSW Ombudsman's Effective Complaint Handling Guidelines. This is consistent with the Australian Standard, Customer Satisfaction - Guidelines for Complaints Handling in Organizations (ISO 10002:2006, MOD).

Victoria

51. The Victorian *Local Government Act 1989* (Vic) contains no requirement for councils in that state to have a complaint handling or review of decisions mechanism. Whilst it is considered desirable for councils to do so, and most have mechanisms for both in place, the policy position is that these are matters for responsible decision making at local government level. The following is an example of leading practice in Victoria.
52. The City of Casey has a designated Internal Ombudsman¹² to review cases where customers feel their concerns have not been adequately addressed by the relevant Manager and Director. The role of the Internal Ombudsman is to undertake an impartial review into the way council officers have handled a particular issue of customer concern. A request for the Internal Ombudsman to conduct an independent review must be in writing.
53. This request must contain full details of the complaint, including its cause and why the complainant is dissatisfied with the way it has been handled by the relevant Manager and Director. This written request must also be signed by

¹¹ Complaint Handling Systems Survey 2007 Report, NSW Ombudsman, December 2007, page 2.

¹² I note that a position titled 'Internal Ombudsman' would breach the proscription in section 32 of the *Ombudsman Act 1972*, on use of the word 'Ombudsman' to describe internal agency review functions in South Australia.

the complainant, dated and include relevant contact details. The Internal Ombudsman will then undertake an investigation and make recommendations to the Chief Executive Officer, who will write to the complainant advising the outcomes of the independent review.

54. The Victorian Ombudsman's Office handled approximately 3,500 complaints about local government in 2009-10. The policy position of the office is for complainants to try to resolve their matter with the council concerned in the first instance.¹³

Tasmania

55. In Tasmania councils are required by the *Local Government Act 1993* (Tas) to have procedures to deal with complaints. The Act also requires councils to develop a customer service charter that must:

...specify a procedure for dealing with complaints relating to services provided by the council¹⁴

56. In 2008 an audit of six councils by the Tasmanian Auditor-General sought to identify whether councils were complying with the complaint handling requirements of the Act and its associated regulations. In addition, councils were assessed against a complaint handling best practice international standard. Whilst councils examined during the audit generally handled complaints efficiently and effectively, problems were identified with system compliance, procedural inadequacies and failure to report annual complaint information to councils as required by the legislation.
57. Deficiencies were also discovered in systems management including the finding that complaint handling systems were incapable of ensuring all complaints were actioned in that they failed to facilitate follow up, systemic review and identification of emerging issues or creation of useful reports.
58. There was no evidence that councils had systematically used complaint information to improve products, services and decision making. Moreover, the complaint handling systems were found to be incapable of supporting such analysis. The report also looked at reasons why people referred complaints to the Ombudsman, and outlined a policy preference for complainants to approach councils to try to resolve their matter before the Ombudsman became involved.
59. The Auditor-General made 12 recommendations in his report, including that
...councils develop systems that allow complaints to be analysed to identify systemic weaknesses and underlying problems.¹⁵

Western Australia

60. The Western Australian *Local Government Act 1995* (WA) contains no requirement for councils to have a review of decision or general complaint handling mechanism, although a complaint handling mechanism is required for breaches of the councillor's code of conduct. However it is considered

¹³ *Annual Report 2010* Victorian Ombudsman.

¹⁴ Section 339F(2)(a), *Local Government Act 1993* (Tas).

¹⁵ Complaint handling in local government - Auditor-General Special Report No.76, Parliament of Tasmania 2008, page 4.

desirable for councils to have general complaint handling mechanisms, and most councils have these in place. The understanding between the government and local government sectors is that complaint handling principles are most effective and efficient when a 'fit for purpose' complaint handling system is in place. This is a system that varies to fit an organisation's circumstances and is proportionate to the number and type of complaints it receives.

61. A 2009-2010 survey of state and local government sectors by the Western Australian Ombudsman sought to examine complaint handling across all organisations within jurisdiction. The survey included responses from 83 local councils from a total number of 141. Councils were asked to assess their complaint handling practices based on principles taken from the Australian Standard (AS 1002-2006: Customer Satisfaction - Guidelines for Complaint Handling in Organisations).
62. The Ombudsman's report found that whilst councils examined in the survey took complaint handling seriously, and generally had appropriate practices in place to handle complaints effectively and efficiently, there were potential opportunities identified for improvement to complaint handling practices.
63. Problems were identified with the centralised systems or standardised procedures in place for dealing with complaint handling. This included the basic arrangements for enabling people to make complaints, including having contact details prominently displayed on websites and in published material. The survey found limited tailoring of complaint handling processes to suit customer demographics.
64. Deficiencies were also discovered in how organisations responded to complaints. Councils were less likely to have written complaint handling guidelines in place which led to less formalised complaint handling structures and less clear timeframes for dealing with complaints.
65. The Ombudsman's report included examples of practices to implement complaint handling principles and documented these as case studies for practical reference.¹⁶

¹⁶ 2009-10 Survey of Complaint Handling Practices in the Western Australian State and Local Government Sectors, Ombudsman Western Australia.

PART 2

THE AUDIT PROCESS

2.1 AUDIT CONTEXT AND TERMS OF REFERENCE

Background

66. Section 14A of the *Ombudsman Act 1972* provides:
- (1) If the Ombudsman considers it to be in the public interest to do so, the Ombudsman may conduct a review of the administrative practices and procedures of an agency to which this Act applies.
 - (2) The provisions of this Act apply in relation to a review under subsection (1) as if it were an investigation of an administrative act under this Act, subject to such modifications as may be necessary, or as may be prescribed.
67. Initial receipt and assessment of local government related approaches to Ombudsman SA is undertaken by assessment officers, supported by access to senior officers as and when required. Complaints are routinely assessed as to whether a complainant has raised the matter with the council complained about, and a complaint may be declined if this has not occurred.
68. In 2010-2011 Ombudsman SA received 9 238 approaches from members of the public. Of these, approximately 60 per cent were dealt with by the provision of advice or referral to a more appropriate body.
69. From those approaches, my office considered 3 400 matters in total - 3 167 Ombudsman complaints and 233 Freedom of Information reviews; 794 of those Ombudsman complaints and 7 FOI reviews, concerned local government.
70. Overall this represents a 6.3 per cent increase in matter numbers over the previous year. Complaints about local government increased by 15.9 per cent.
71. An important statistic is the percentage of local government complaints in which the dominant issue was complaint handling. This amounted to 191 matters or 25 per cent of the complaint workload for local government. Given the mechanisms available in councils for complaint handling and internal review of decisions, this is a significant number coming directly to my office that may otherwise be dealt with by councils.

Purpose

72. Against this background, I decided to audit complaint management systems in a selected number of councils to assess whether they provide a reasonable means of resolving matters of complaint. The focus of the audit was on general complaints and the use of statutory provisions under section 270 of the Local Government Act. The audit was not intended to include complaints related to the conduct of elected officials or matters clearly covered by complaint mechanisms under another Act, such as the *Development Act 1993*.
73. The audit was intended to collect information about the methods and standards of complaint handling across local government, establish what is best practice, identify any gaps, and make suggestions for improvement.

74. Improved communication between councils and the office of Ombudsman SA was also intended as part of the audit process.

Terms of Reference

75. The Terms of Reference was to conduct an audit of complaint management systems in a selected number of councils. The subject of the audit for individual councils was determined to be:
1. the policies, practices and procedures established in councils for ensuring high standards of complaint handling for members of the public
 2. the practices and procedures in councils for ensuring compliance with the provisions of section 270 of the *Local Government Act 1999* with respect to internal review of decisions
 3. the practices and procedures in councils for ensuring practice and systems improvement in both complaint handling and internal review of decisions.
76. Without limiting the breadth of that task, I considered that the audit process should:
- determine a representative number and range of councils to be audited
 - document the complaint management systems existing in those councils
 - review current literature on local government complaint management systems to inform an appropriate model for the context of South Australian local government
 - design a questionnaire to assess the existing local government complaint management systems, and visit the audited councils to discuss their responses with them directly
 - recommend any changes perceived as desirable to the legislative framework for complaint handling
 - recommend any changes perceived as desirable in relation to the system and practices of the councils subject to audit
 - consider whether any change to Ombudsman SA's intake and assessment processes is desirable in light of these recommendations.

2.2 SELECTION OF TWELVE COUNCILS

77. The selection of councils for audit was made with regard to each of the twelve state government regions and what was considered to be a good spread of population densities, geographic locations and council size.
78. In 2006, the South Australian government decided to introduce twelve administrative regions for uniform use in planning and reporting across all state government departments and agencies.
79. There are four regions in the Adelaide metropolitan area; three regions in the greater Adelaide area; and five country regions.
80. The Australian Classification of Local Governments (**ACLG**) was introduced in 1994 as a method of classifying local governing bodies in receipt of general financial assistance grants from the Commonwealth. The system uses a variety of urban, urban fringe, provincial city and rural codes to classify councils. In South Australia the Local Government Grants Commission uses the system to allocate grants across four council groupings based on region and size.
81. Through a process of cross referencing councils with ACLG groupings and state government regions the following selections were made for the purpose of the audit:

Adelaide Metropolitan area

- Eastern Adelaide
- Northern Adelaide
- Southern Adelaide
- Western Adelaide

Council

Adelaide City Council
City of Tea Tree Gully
City of Holdfast Bay
City of Port Adelaide Enfield

Greater Adelaide area

- Adelaide Hills
- Barossa, Light and Lower North
- Fleurieu and Kangaroo Island

Council

Adelaide Hills Council
District Council of Mallala
City of Victor Harbor

Country regions

- Eyre and Western
- Far North
- Limestone Coast
- Murray and Mallee
- Yorke and Mid North

Council

Corporation of City of Whyalla
Port Augusta City Council
Kingston District Council
Coorong District Council
Clare and Gilbert Valleys Council

2.3 PROFILE OF THE TWELVE COUNCILS

Adelaide City Council

Council Profile

Population	18,575
Number of Employees	700
Total Operating Revenue	\$129,508,000
Number of Electors	22,376
Number of Rateable Properties	21,482
State Electorate	Adelaide
Federal Electorate	Adelaide

Chief Executive Officer

Mr Peter Smith

Adelaide Hills Council

Council Profile

Population	39,852
Number of Employees	177
Total Operating Revenue	\$31,005,169
Number of Electors	28,781
Distance from Adelaide GPO	37km (Woodside office); 15km (Stirling office)
Number of Rateable Properties	17,116
State Electorate	Schubert, Newland, Morialta, Bragg, Heyesen & Kavel
Federal Electorate	Mayo

Chief Executive Officer

Mr Peter Peppin

Clare & Gilbert Valleys Council

Council Profile

Population	8,193
Number of Employees	80
Total Operating Revenue	\$13,500,000
Number of Electors	6,446
Distance from Adelaide GPO	133km
Number of Rateable Properties	6,517
State Electorate	Frome
Federal Electorate	Wakefield

Chief Executive Officer

Mr Roy Blight

Coorong District Council

Council Profile

Population	5,721
Number of Employees	79
Total Operating Revenue	\$9,978,797
Number of Electors	5,511
Distance from Adelaide GPO	150km (Meningie)
Number of Rateable Properties	3,586
State Electorate	Hammond, MacKillop
Federal Electorate	Barker

Chief Executive Officer

Mr Michael Boyd

City of Holdfast Bay

Council Profile

Population	35,037
Number of Employees	185
Total Operating Revenue	\$45,990,840
Number of Electors	33,316
Distance from Adelaide GPO	12km
Number of Rateable Properties	19,969
State Electorate	Bright, Morphett
Federal Electorate	Boothby, Hindmarsh

Chief Executive Officer

Mr Justin Lynch

Kingston District Council

Council Profile

Population	2,615
Number of Employees	19
Total Operating Revenue	\$4,865,400
Number of Electors	1897
Distance from Adelaide GPO	294km
Number of Rateable Properties	2,570
State Electorate	MacKillop
Federal Electorate	Barker

Chief Executive Officer

Mr Martin McCarthy

District Council of Mallala**Council Profile**

Population	8,365
Number of Employees	58
Total Operating Revenue	\$7,535,000
Number of Electors	7,299
Distance from Adelaide GPO	57km
Number of Rateable Properties	4,389
State Electorate	Goyder, Taylor
Federal Electorate	Wakefield

Chief Executive Officer

Mr Charles Mansueto

City of Port Adelaide Enfield**Council Profile**

Population	102,929
Number of Employees	459
Total Operating Revenue	\$91,544,400
Number of Electors	85,633
Distance from Adelaide GPO	15km
Number of Rateable Properties	57,286
State Electorate	Port Adelaide, Lee, Cheltenham, Croydon, Ramsay, Playford, Enfield, Torrens, Florey
Federal Electorate	Port Adelaide, Adelaide, Makin, Sturt

City Manager

Mr Harry Wierda

Port Augusta City Council**Council Profile**

Population	14,215
Number of Employees	383
Total Operating Revenue	\$27,052,800
Number of Electors	9,239
Distance from Adelaide GPO	305km
Number of Rateable Properties	7,506
State Electorate	Stuart
Federal Electorate	Grey

City Manager

Mr Greg Perkin

City of Tea Tree Gully

Council Profile

Population	100,054
Number of Employees	490
Total Operating Revenue	\$62,420,000
Number of Electors	79,147
Distance from Adelaide GPO	14.5km
Number of Rateable Properties	38,325
State Electorate	Little Para, Florey, Newland, Playford, Torrens, Wright
Federal Electorate	Makin, Sturt

Chief Executive Officer

Ms Di Rogowski

City of Victor Harbor

Council Profile

Population	13,500
Number of Employees	103
Total Operating Revenue	\$19,500,000
Number of Electors	13,139
Distance from Adelaide GPO	84km
Number of Rateable Properties	9,986
State Electorate	Finniss
Federal Electorate	Mayo

Chief Executive Officer

Mr Graeme Maxwell

City of Whyalla

Council Profile

Population	23,028
Number of Employees	141
Total Operating Revenue	\$22,481,237
Number of Electors	16,415
Distance from Adelaide GPO	384km
Number of Rateable Properties	11,161
State Electorate	Giles
Federal Electorate	Grey

Chief Executive Officer

Mr Ian Burfitt

PART 3

STAGE ONE - THE AUDIT SURVEY QUESTIONNAIRE

3.1 METHODOLOGY

82. As described above, I identified a representative cross section of twelve councils for the administrative audit. The intent of the audit was to collect information on the methods and standards of complaint handling and make suggestions for improvement across the whole South Australian local government sector.
83. I informed all sixty eight councils in South Australia of my intentions and to send each of them an Audit Survey Questionnaire. The purpose was two-fold. As well as informing local government generally, I chose to send the primary instrument of my investigation to encourage all councils to review their practices, regardless of participation in the formal audit. Some councils chose to do this. I acknowledge here their efforts and commitment to the objective of complaints handling best practice.
84. The audit itself was conducted in two stages. The first stage was a desk audit where the twelve selected councils were asked to provide background information and complete the questionnaire on the complaint handling workings of the council. A copy of the Audit Survey Questionnaire is attached at Appendix A.
85. Following preliminary analysis of responses from all twelve councils, the second stage involved a visit to each council by me and an Investigating Officer from my audit team. The purpose of the visits was to discuss questions arising from the Audit Survey responses and to invite commentary on building capacity for better complaint handling. Written questions based on survey responses were sent to each council in advance of the face to face discussions.
86. At the completion of the council visits, individual reports were prepared and sent to each council's chief executive officer. The reports were in the form of preliminary findings and included an invitation for each council to reply with its response to the commentary. All participating councils sent responses to my individual assessments.
87. I reported confidentially to each council on issues relevant to it. I also indicated my intention to circulate a general report on the audit regarding current practice standards and system issues for the information of all councils and the public.
88. As I did not consider it necessary to identify particular council practices or responses, I have chosen to make them anonymous through reference to councils as A through to L.

3.2 KEY FACTS AND FIGURES

89. The following is a summary of the facts and figures emerging from the councils' responses to key questions in the Audit Survey. The questions are recorded alongside the figure depicting percentage responses from the councils. Subheadings indicate a selection of general topic areas where questions were directed.

3.2.1 Customers and consumers - people who use council services¹⁷

90. Preliminary questions in the Audit Survey Questionnaire focused on a description of, and numbers for, the consumer contacts each council had in the financial year 2009-2010.
91. To provide context for their responses about complaint handling practices, respondents were asked to indicate how many customers they had in 2009-2010. Reported numbers of consumers ranged from 191 to 14.1 million, the latter being a number including visitors to various retail and recreational facilities. The range of numbers indicates that councils use widely varying methods to count consumer contacts. An important figure is the number of councils which had no record of consumer contacts - four of the twelve involved in the Survey. Figure 1 shows just three councils from the group of twelve recorded demographic information.

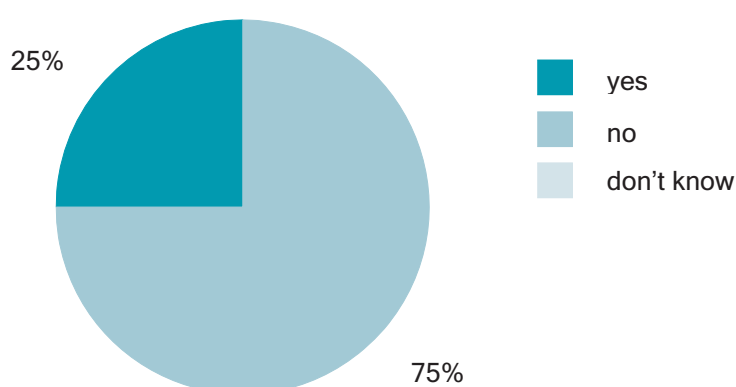


Figure 1: Does your council keep statistics on consumers from different demographic and/or age groups (*e.g. young people, women, seniors, non-English speaking background, Aboriginal*)?

92. Councils were asked to define their consumers. A wide range of consumers were identified, most commonly ratepayers, residents, businesses, visitors, students and workers. Non-government organisations, sporting clubs, associations and TAFE/universities also featured, as did other education providers and shoppers. Four of the group of twelve identified developers as a consumer group for their particular council area.

3.2.2 Council complaint handling systems

93. Figure 2 shows that two-thirds of the twelve councils provide a definition of a complaint.

A significant number drew from the definition outlined by Standards Australia but not all were aware of this source.¹⁸

¹⁷ The questionnaire used the term 'consumer' as having a meaning broader than 'customer' or 'clients'. However it is recognised that many councils prefer to use the term 'customer' in the context of a quality management approach to service delivery.

¹⁸ Standards Australia (ISO 1002:-2006) defines a complaint as an 'expression of dissatisfaction made to an organisation related to its products (or services) or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected.'

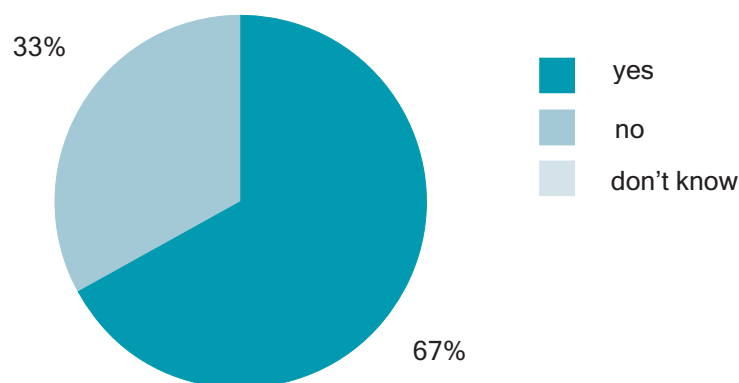


Figure 2: Does your council have a definition of a complaint?

94. Some definitions sought to distinguish between a complaint and a request for service and stipulated that an unanswered request or provision of an unsatisfactory service may constitute a complaint. This is an area where all councils involved in the audit expressed some concern about the practical boundary between requests and complaints, particularly given that many issues which are not complaints present initially as such to first point of contact staff. The issue is considered in more detail in section 4.4.

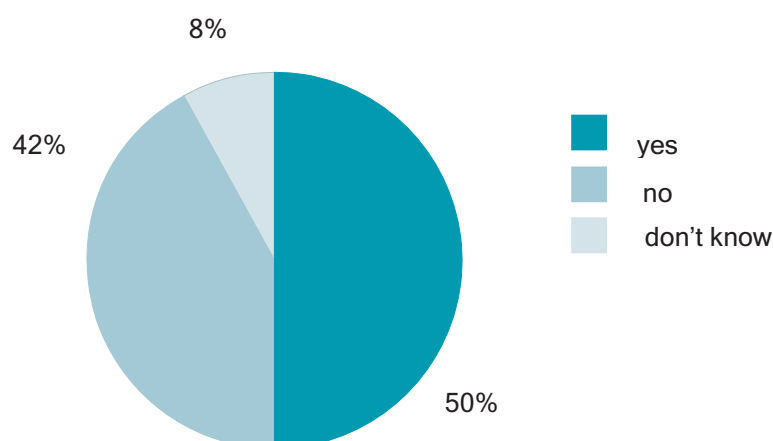


Figure 3: Is your council's complaint handling system based on a standard or model (e.g. Australian Standard)?

95. Although half of the survey respondents answered yes to their complaint handling system being based on a standard, five councils answered in the negative. Figure 3 also shows one council reporting no knowledge of the basis of its complaint handling system.
96. Whilst most councils were able to outline how their complaint handling process works in a simple diagram, not all were aware of the Standards Australia source document AS ISO 10002-2006. Some had drawn from the LGA's summary of the Australian Standard essential elements for complaint handling as part of the GGAP.

3.2.3 Complaint handling information for the public

97. Policy documents are an important instrument in enabling effective complaint handling in councils. Although all twelve councils reported that they have a customer service charter or equivalent, Figure 4 shows that a quarter of councils from the audit have no written policy on complaint handling.

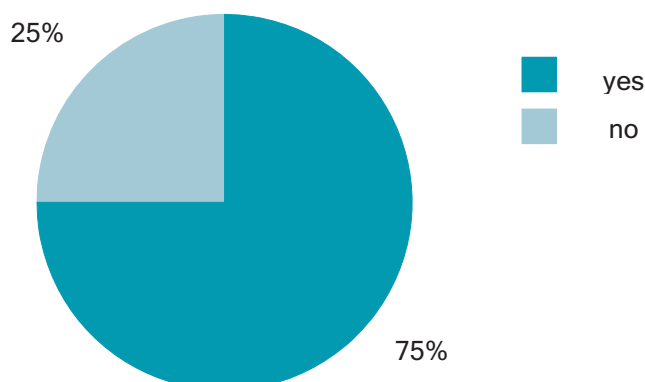


Figure 4: Does your council have a written policy on complaints handling?

98. Section 4.3 of this report discusses the standard of complaint handling policy documents across the range of audited councils. Whilst all councils satisfied the statutory requirement to have in place a procedure for internal review of decisions, for some this was considered sufficient to cover complaint handling generally. Aside from appropriate content, a problem arises here with visibility. All documents relating to section 270 internal review of council decisions are listed under a heading using these words. Many people looking at a council website would not know that this designation refers to a complaint handling process. For such a policy to be easily located the word 'complaint' must be prominently displayed and the procedure simply explained. A system of cross-referencing may be usefully employed to ensure those people who are looking under 'internal review of council decision' are also connected to the appropriate documentation.

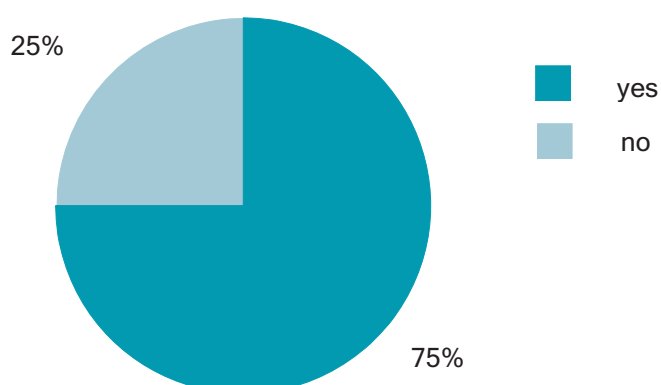


Figure 5: Is your council's complaint handling policy (or brief version) readily available to the public?

99. Figure 5 shows nine councils reported having a written policy on complaints handling which they make readily available to the public. As noted, three councils had no policy in place. Whilst the number with policies available is

encouraging, there is considerable variation in the detail and quality of the documents. The complaints handling process, and supporting information about investigation procedures, should be easy to understand and use. Those councils with policies generally make the documents available at both the front counter and on council websites. However, one council with several service centres reported that the policy is only available in hardcopy from the council's principal office where a policy manual is kept.

100. Availability of 'brief version' or brochure/leaflet style publications was much more limited. Only one of the twelve councils reported having a brochure which addressed complaint handling simply and directly. Another had a 'customer service standards policy' which mentioned complaints in passing, but all others relied upon detailed written documents physically located in offices and posted on websites. I have made reference to the desirability of considering pamphlet style information in section 4.6.

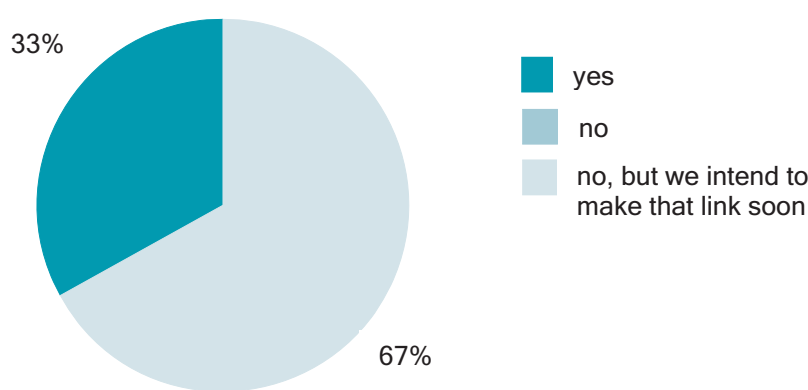


Figure 6: Does your council's website have a direct link to complaint handling information displayed on the homepage?

101. Responses to the related question on whether councils have links on their website 'homepage' to complaint handling information are displayed at Figure 6. The responses give greater insight into different views about what constitutes a 'readily available' policy. Two thirds of audited councils do not have a direct link on their website homepage. However, in their responses all councils agreed that this is a necessary step to improve public access to complaint handling information. Good policy and procedure needs to be readily available if it is to be used effectively. Use of the word 'complaint' is important. The service provided is not merely to obtain or receive feedback and comments, although some councils have chosen to include these options in their complaint handling information.
102. At the commencement of the audit, only one council from the group of twelve had such a link available - one which incorporated a succinct outline of complaint handling processes with links to longer policy and procedures documents. Several other councils have now updated their websites along these lines or are in the process of doing so. Most are simply adding a reference to 'Complaints' - and how to make them under their 'Quick Search' portal or equivalent.

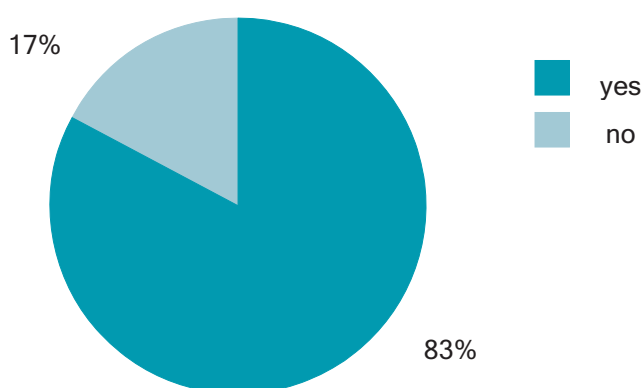


Figure 7: Does council provide training in complaint handling skills for staff who are expected to deal with complaints?

103. Figure 7 shows the broad extent of councils' commitment to training in complaint handling for staff who are expected to deal with complaints. Ten of twelve councils provided some training support for council staff, although much of this was concentrated on first point of contact and customer service functions. Dealing with unreasonable complainant behaviour was a common training offering.
104. Interestingly most councils made reference to improved training in part E of the questionnaire regarding suggestions for councils' policy and practice. Policy, systems and scenario training are all useful offerings and are recognised as such. Some councils have also suggested that complaints handling training for management team members is important. Developing appropriate skills required for second and third stage complaint reviews, and providing strategic support for staff in first point of contact roles, are important functions. Further discussion and consideration of training matters is outlined in section 4.8.
105. As seen from Figure 1 only three of twelve councils keep statistics on consumers from different demographic and/or age groups. There is clearly scope for councils to better profile their consumers as a tool for understanding public opinion and assessing service delivery performance. Information on age, gender, locality and ethnicity is useful to inform understanding about who is using council services and why.

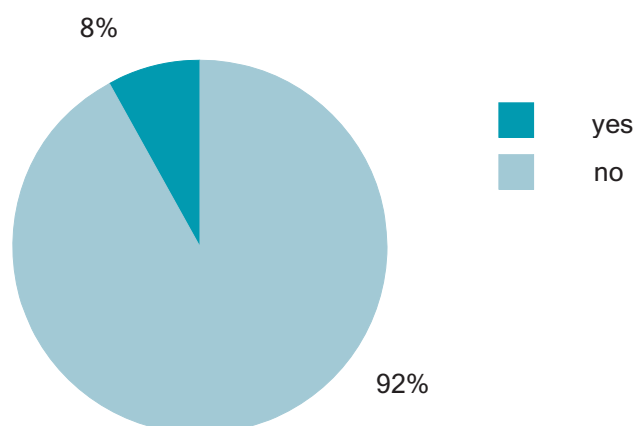


Figure 8: Is information about where and how to make a complaint provided in languages other than English?

106. Figure 8 relates to the more specific question about the provision of complaints information in languages other than English.
107. One of the twelve councils in the audit group provided information in other languages. Understandably the translations were limited to a group of European languages reflecting the particular diversity of that community. However, in a multicultural society with a significant migration and refugee intake we increasingly need to think in terms of a broader range of non-English speaking community groups. The most commonly spoken languages in Australia today, other than English, are Italian, Greek, Cantonese, Arabic, Mandarin and Vietnamese.¹⁹

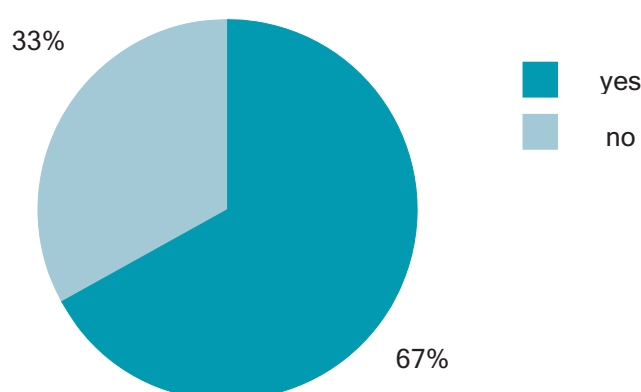


Figure 9: Does your council have a complaint management information system (manual or electronic) that records complaints received?

108. Figure 9 shows that two thirds of councils - eight of twelve - have a manual or electronic complaint management information system in place.
109. Of these five are electronic systems capable of disaggregating complaints from the overwhelming flow of other customer service request and inquiries. Asked about numbers of complaints received in the year 2009-2010, audit responses ranged from nil to 330 - often with a further numerical breakdown indicating 'informal' and 'formal' processes used for handling and classifying the complaint. Difficulties have been experienced with older software unable to separate complaints from requests for service - or to generate reports on the full range of complaint handling information.
110. Many councils are currently in the process of investigating software applications to upgrade their complaint handling information systems. I am suggesting to councils and to the LGA that they may wish to share information and/or expertise and costs in upgrading their complaint information systems to suit individual council business needs. Further detail is provided in section 4.5.

3.2.4 Section 270 - internal review of decision matters

111. Figure 10 reveals that ten of the twelve councils involved in the audit conducted a section 270 internal review in the past 12 months. One of the

¹⁹ Australia in brief, Department of Foreign Affairs and Trade, June 2008.

two councils that did not reported they had not handled a section 270 matter since the Local Government Act came into effect in the year 2000.

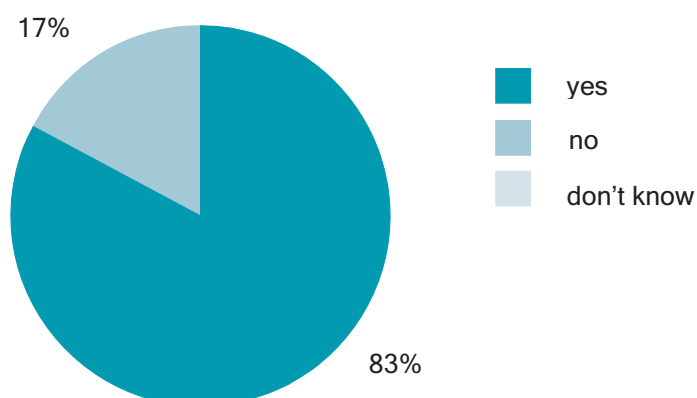


Figure 10: Has your council completed a section 270 Internal Review of Decision in the past 12 months? (numbers are shown in the bar graph)

112. Many councils reported that they did not receive frequent requests for section 270 reviews. Some indicated that their council's effective handling of service requests and general complaint handling reduced the likelihood of section 270 applications.
113. This may well be accurate, but there is also general acknowledgement that only passing reference is made to the procedure by many councils. It is likely that there is a general lack of public awareness of section 270. Councils involved in the audit acknowledged that complainants need to be made more aware of their right to use section 270, and that this comes down to making the policy and procedure better known.

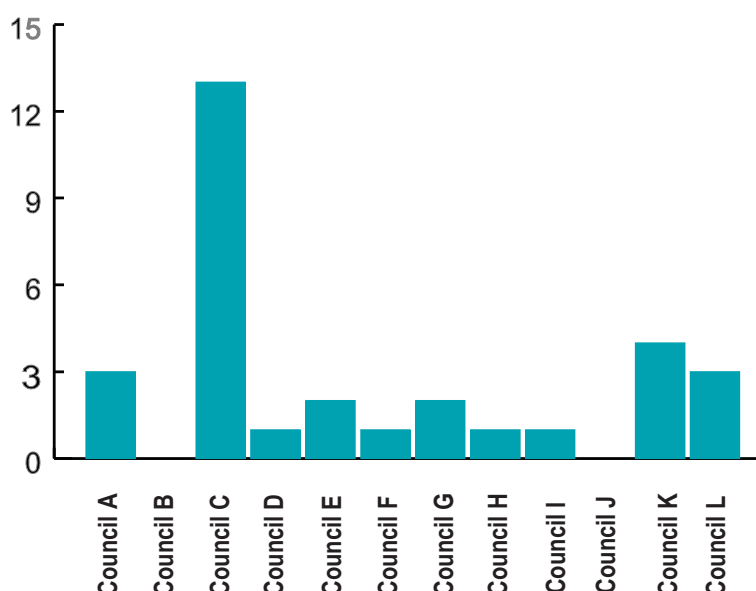


Figure 11: Total numbers of section 270 matters in 2009-2010 by council

114. Figure 11 shows the numbers of internal reviews completed by audited councils in 2009-2010.

115. It can be seen that one council conducted thirteen. In discussions with my office it transpired that the original designation as section 270 reviews was the result of a broad interpretation of the requirements of that council's procedure, and that these matters should possibly not have been recorded as section 270 reviews.²⁰

116. At the other end of the spectrum I gained the impression that some councils were reluctant to use the mechanism because they saw it as 'outside' their preferred approach to handling complaint matters. In other words the provision was seen by some as unnecessary. One council has expressed its willingness to take a different approach in the future by simply integrating section 270 with its 'mainstream' complaint handling policy.

(Our) review has taken the section 270 process from the Grievance Policy, and combined it into one policy - the new Complaint Handling Policy. Centralising the complaint handling process will also allow us to be more aware of section 270's received at council, and to work closely with our Governance area to determine what we can learn from the section 270 complaints.

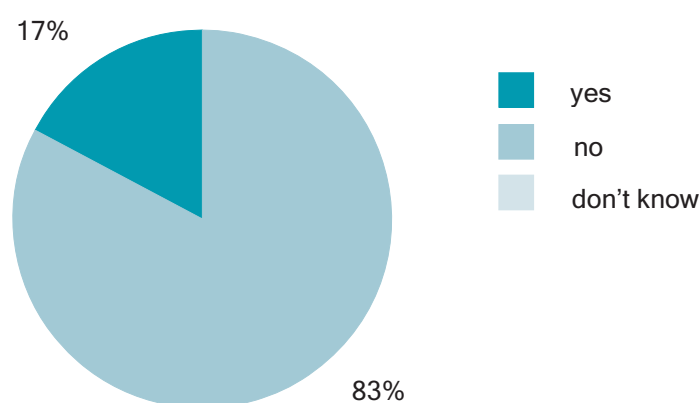


Figure 12: Does your council have a training program for officers exercising delegated authority for handling section 270 reviews?

117. Figure 12 reveals that two of twelve councils had no training arrangements in place for officers exercising designated authority for handling section 270 reviews.

118. While the content and effectiveness of training were not examined, it is clear that the numbers of section 270 internal reviews reported made the actual practice of reviews a rarity. Good training can go stale if never used. Indeed one council alluded to this with a comment that only utilising section 270 procedures would lead to effective practice - and hence useful learning outcomes for a council. It is notable that seven of the twelve councils have reviewed their internal review of council procedure this year. Given that level of activity it might be anticipated that the reviews themselves would generate an awareness of the need for updated training - if only for refreshing staff on the details of the procedure.

²⁰ It is notable that in the audit group of twelve councils, the use of section 270 internal reviews ranged from 'never' to 'frequent'. This is atypical of the sector as a whole. The total numbers of section 270 reviews conducted by the audited councils came to thirty. This constitutes exactly half of those reported across all councils in 2009-2010.

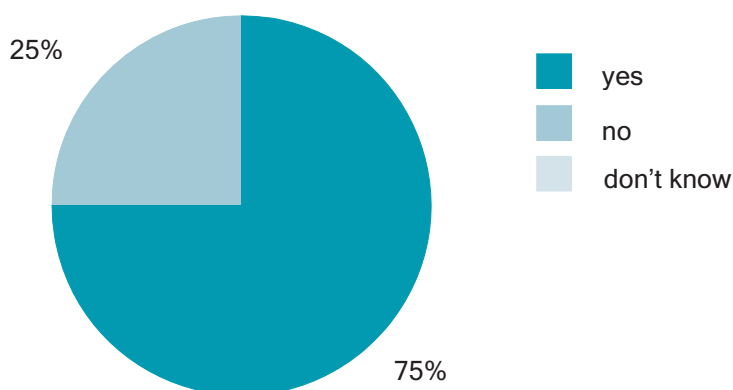


Figure 13: Does your council, on an annual basis, prepare and consider a report on the number, type and outcome of section 270 applications for review?

119. On the question of whether councils prepare and consider a report on section 270 matters, Figure 13 shows that three of the twelve did not do so.
120. In one case this was apparently due to the fact that no review had been conducted. In the other cases the lack of a formal report to council on the number, type and outcome of section 270 matters was explained by documentation in councils' annual reports, where it was considered that the requirements had been addressed.
121. However, on this issue the statute is quite clear: A council 'must initiate and consider a report'. In my view this should be a separate report to council containing required detail for all section 270 internal reviews considered - or a report indicating that there have been none, even if this information is also included in annual reports.

3.2.5 Complaints management best practice

122. A key part of my audit process was the self assessment tool provided for the twelve councils. The method uses a rating of performance against the core elements of the Australian Standard for Complaints Handling. Figure 14 shows the range of elements across all audited councils and the relative assessments each council gave itself to that aspect of its complaint handling operations.
123. Assessments in the range of 'poor' or 'satisfactory' are considered to be less than best practice and therefore requiring substantial improvement. The elements involving publicised information; data collection and recording; identification of recurring problems; reporting against standards; and ensuring outcomes in the system, are all areas where audited councils have identified significant room for improvement.

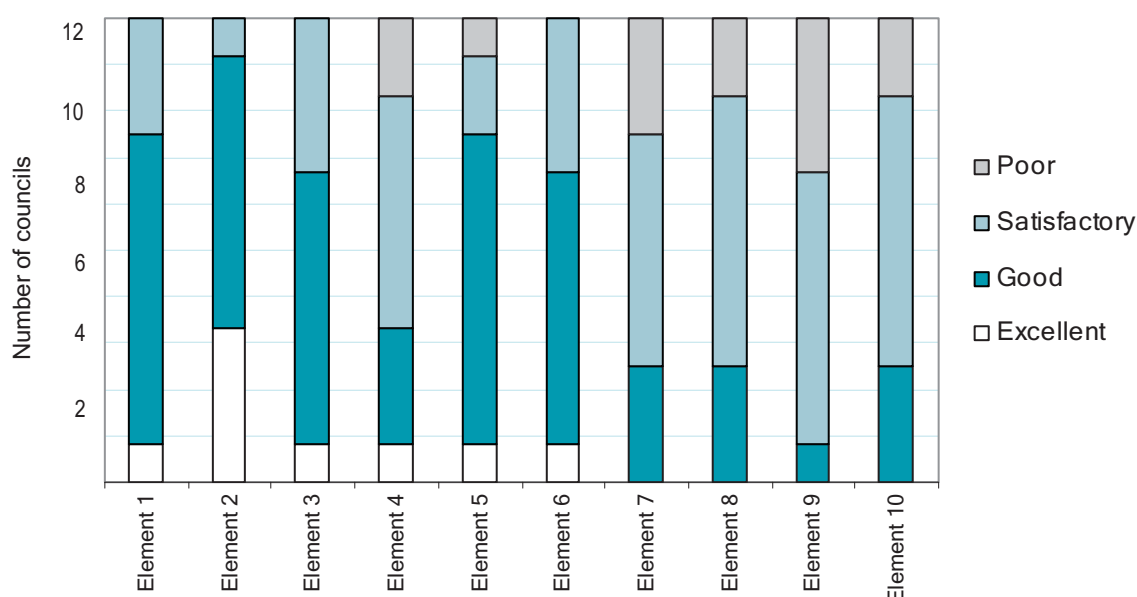


Figure 14: Rate your council against the following core elements of the Australian Standard for Complaints Handling

- Element 1** a commitment at all levels within the council, which is reflected through a culture acknowledging citizens have a right to complain about matters which affect them
- Element 2** fair treatment to both the person complaining (“the complainant”), and the section or person against whom the complaint is made
- Element 3** allocation of adequate resources for handling complaints, with sufficient levels of delegated authority to the personnel dealing with complaints
- Element 4** publicised, readily available information about complaint handling processes, which is easy to read and understand
- Element 5** a process which is accessible to all, with assistance provided for complainants to lodge complainants where required
- Element 6** a responsive process, where complaints are dealt with quickly, and complainants are treated with respect
- Element 7** data collection and recording, with a systematic review and analysis
- Element 8** identify recurring problems which need to be addressed
- Element 9** report against documented standards
- Element 10** ensure the complaint handling system is delivering effective outcomes.

3.2.6 Unreasonable complainant conduct

124. The final question in the Audit Survey was about councils' experiences with 'unreasonable complainant conduct'. Figure 15 indicates that no council had a 'significant problem' with unreasonable complainant conduct.

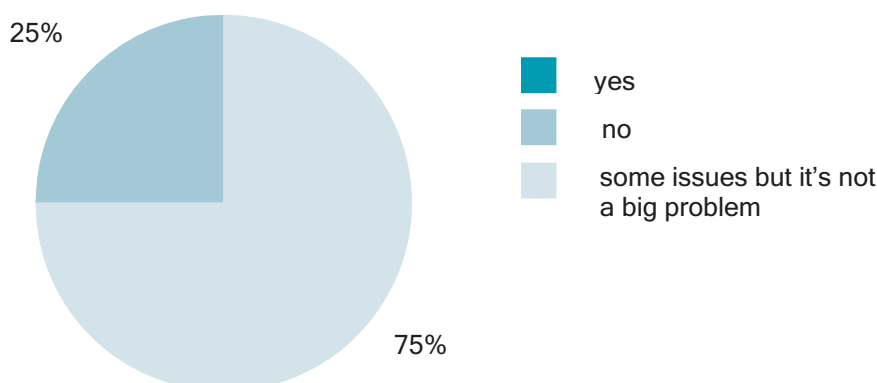


Figure 15: Does your council have a significant problem with unreasonable complainant conduct, (e.g. nuisance, difficult behaviours, threatening behaviours?)

125. However, nine of the twelve reported having 'some issues' with these behaviours. It is perhaps slightly surprising that three councils indicated no problems of note in this area.
126. Despite councils reporting that the incidence of unreasonable complainant behaviour was 'not a big problem', it became apparent in interviews with staff that there were strong views held in councils about how this issue sometimes impacted on front-line staff, senior manager time and the need to obtain external legal advice. The issue of abuse towards customer service staff was a particular concern. Councils are seeking to address this through appropriate training and risk management protocols.
127. The incidence of unreasonable persistence with a complaint was also raised by some councils. Reframing complaints previously dealt with and demanding a review because it is available, not because a case has been made, are not uncommon experiences. Good communication, clear disengagement strategies and consistency are important elements of resolution in these situations.

PART 4

STAGE TWO - DISCUSSIONS WITH COUNCILS

4.1 PRELIMINARY FINDINGS AND COUNCIL RESPONSES

128. Following analysis of the councils' Audit Survey returns and responses and dialogue from face to face meetings, I prepared detailed preliminary findings for each participating council. Through a process of identification of recurring issues raised in the Audit Survey and discussions with individual councils, key themes have emerged for evaluating performance. My findings are outlined below under the following eight headings:
- A complaint valuing culture
 - Policy development and standards
 - Defining complaint procedures and requests for service
 - Complaint management information systems
 - Information for the public
 - Monitoring of complaints at senior management level
 - Training matters
 - Communication with Ombudsman SA.
129. I also asked councils a range of questions on section 270 of the Local Government Act. The next section of the report deals in detail with my consideration and findings on section 270 compliance and related issues.

4.2 A COMPLAINT VALUING CULTURE

130. A key focus of my office is supporting administrative improvement and capacity building in public administration. A commitment to effective internal complaint handling mechanisms is fundamental to sound governance and responsive program and service delivery. In my view agencies must value complaints as a means of strengthening and improving their relations with the public. As the Commonwealth Ombudsman, recently expressed it:

Complaints are rivers of gold and a reliable source of invaluable advice that comes free of charge.²¹

131. The evidence from the twelve audited councils demonstrates administrations which are genuinely striving to improve all aspects of general complaint handling. This includes maintaining and improving a culture which acknowledges people have a right to complain about matters which affect them.
132. As part of my discussions with councils I expressed the view that councils could generally make a stronger effort to inform themselves about the numbers and profile of their consumers. This is in the context of the objective of providing an equal service for all. It is also about developing a further tool for understanding public opinion and assessing direct contacts - in addition to the demographic profile many councils currently generate from ABS Census data. In my experience of handling complaints, I have found it important to understand who is and who is not availing themselves of services such as decision review mechanisms. Information on age, gender, locality and ethnicity is useful to inform understanding about who is using council services and why.

²¹ Commonwealth Ombudsman, media statement, ABC News online, 2 August 2011.

133. Most councils in the audit survey agreed that improvements in this area were warranted. Many linked the issue to their understanding of quality management principles, specifically those related to customer or consumer focus, the involvement of people and a commitment to continual improvement. Increasingly quality management approaches are being used by senior management as a framework to guide their councils towards improved performance. A customer service charter was in use in seven of the twelve councils audited, with the other five councils responding that they had incorporated a customer service philosophy in their general policy or procedures for handling complaints.
134. Some councils reported that the audit has stimulated or accelerated work to better establish their credentials as a complaint valuing organisation. Different approaches suit the different business models found across local government. One council has moved to employ a Customer Experience Coordinator to work closely with its governance team on complaint handling. Another has initiated an administrative governance review process which will ensure complaint handling is an internal priority. They will also offer to share knowledge and expertise of customer management systems with other councils, including complaint management information systems.
135. Establishing a clear reputation for valuing feedback, particularly complaints, is a matter for consideration by all councils in setting policy. It is also important in presenting a council's public face and establishing the culture intended for the administration. In saying this I acknowledge the tension which exists in some areas of council business where enforcement is part of the role, and where staff may feel that they are being criticised unfairly for 'doing their job'.

Finding

Audited councils displayed a commitment to improve all aspects of general complaint handling and mostly had a sound understanding of quality management principles - specifically a consumer focus. A complaint valuing culture is seen as desirable and achievable by all participating councils.

Recommendation

That all councils promote a complaint valuing culture and revise policy and procedures to incorporate the three elements of quality management principles, improved accountability and better decision making.

1

4.3 POLICY DEVELOPMENT AND STANDARDS

136. All councils reported compliance with the Local Government Act requirement to have a section 270 internal review of council decisions procedure in place. Many also have a general complaints policy integrated with, or accompanying, the procedure. This will now be a statutory requirement following recent amendments to the legislation.
137. Beyond the statutory requirement for internal review procedures, nine of the twelve councils audited also had a written policy on general complaints handling. Customer complaints policy and sometimes complaints handling procedures documents were produced by most councils, and there was evidence that many of these were publicly available. However, in some cases the policy/procedure documents were internal documents with little or no visibility to the public. I have commented separately on this matter below.
138. In general terms councils showed a willingness to have in place policy documents which give guidance to members of the public about how complaints are received and assessed, and about how council's complaint handling processes work. Although there is room for different approaches, the variation in the standard and quality of policy documents between councils is quite marked. This is where the LGA's proposed Model Complaints Policy for general complaint handling should play a useful role in raising standards across the sector. It may also help ensure improved communication and redress for complainants at the local level.
139. In my view there is a need to be clear about what options complainants have available to address the issue they have raised. Section 270 procedures are a formal mechanism which can be requested to deal with any matter aside from those where other legislative remedy exists. Similarly, people may choose to have any matter dealt with using an informal or semi-formal process which does not need to invoke existing section 270 formalities. Therefore it is important for council policy documents to state that there are graduated options for responding to complaints internally, as well as advising on options for external review. Internal systems will necessarily involve frontline or point of contact complaint handling, some sort of informal internal investigation mechanism involving more senior staff and the section 270 formal review procedure.
140. Many councils indicated that they were likely to review their section 270 internal review of council decisions procedures in the near future. There was also a broad awareness of the upcoming amendment to the Local Government Act which will require policy as well as procedure to be in place. I have encouraged individual councils to review policy and procedures in this area and to ensure compliance with the amended statute. I have also advised councils to consider the merits of bringing all complaints policy and procedure documents together in a single document. In order to facilitate public understanding and to assist council staff in consistent internal complaint handling procedure, it is useful to consider covering general complaints and section 270 policy and procedure in one accessible package. This is potentially a more workable and streamlined approach than having multiple documents which need cross-referencing. I support the approach favoured by some councils which are looking to integrate systems and processes in the interests of both their staff and the public.

141. As part of my discussions with councils on the policy development process I have encouraged councils to consult the public about their draft complaints policy and procedures. External consultation brings the council public credibility. It also assists promotion of the initiative to make complaint handling more accessible and simple to use for consumers.
142. On the matter of standards, as discussed above, I have endorsed use of the Standards Australia source document, AS ISO 10002-2006. The Standard aims to inform an effective and efficient complaints handling process to reflect the needs of both councils and of complainants. Similarly, the Commonwealth Ombudsman's Better Practice Guide to Complaint Handling is an invaluable resource for defining the essential principles for effective complaint handling. The Guide is simple, accessible and a proven instrument for good policy making. A brief summary of the five elements of effective complaint handling (Culture, Principles, People, Process, Analysis) is reproduced in Appendix C.

Finding

The standard of complaint handling policy and procedure documents across audited councils is inconsistent and incomplete. Model Complaints Policy development and the use of recognised standards across the sector are desirable. Consideration should be given to bringing together general and existing section 270 policy instruments.

Recommendation

That all councils review their general complaints and internal review of council decisions policy and procedures documents to establish best practice and comply fully with the requirements established by law.

2

4.4 DEFINING COMPLAINT PROCEDURES AND REQUESTS FOR SERVICE

143. One notable area of difference between councils was the response to the question on the numbers of complaints received by each council in the year 2009-10. The range varied from 2 to 990 - with many councils also giving two figures, as requested, for 'formal' and 'informal' complaints. Three issues emerged from the question and in my subsequent discussions with councils.
144. First, it is apparent that many councils do not have information systems which discriminate clearly between service requests and complaints. Whilst all councils have either an electronic or manual information system, the principal problem is that record keeping of complaints handling - from first point of contact to resolution - is patchy and inconsistent. Some councils literally only record 'formal' section 270 matters, which is why their complaint numbers are so low. Others record complaints together with requests for service and other consumer contacts and inquiries. These sometimes number in the tens of thousands, but do not always allow for easy extraction of complaints received or progressed through the system. I have examined the issue of information systems in more detail in the following section.

145. Secondly, as has emerged from a number of councils, many first contacts are presented in the form of a 'complaint', e.g. 'I'm ringing to complain about a broken paver on the footpath outside my home'. Such contacts are, in most cases, requests for service in the first instance. Whether they become complaints depends on how well council protocols for follow-up are able to address the problem and satisfy consumers from the first point of contact. Some of these may legitimately become complaints because the council should have taken action earlier - especially in situations where people have directly and repeatedly requested the service.
146. A related problem became apparent when I discussed the systems of complaint recording and follow-up with some councils. It emerged that a significant percentage of the numbers of complaints in the system were in fact animal nuisance reports which were recorded on forms issued for the purpose. Some councils also reported complaints on matters related to dust, smells, noise, illegal dumping, fire hazards and the like. Without examining these matters in any detail I was unable to conclude whether all of these reports were in fact complaints - or if many are more correctly put into the category of requests for service. What is clear is that councils need to be aware of how departments and work sites across the organisation are receiving and classifying complaints. Consistent application of definitions should be part of internal procedure.
147. It is a moot point whether a complaint about apparent council inaction on removal of a fire hazard or a broken pavement area is actually a request for service - or a valid complaint about what is seen as a lack of preventative maintenance. This is an area where councils have to make judgement calls about their service delivery boundaries. However, it is clear that many councils have been classifying significant numbers of these initial 'barking dog' reports as complaints against the council, rather than complaints between neighbours.
148. Thirdly, in my discussions with councils a system of recognising complaints has been suggested across three categories of 'informal', 'semi formal' and 'formal'. By 'formal' is meant a complaint to be considered under section 270 of the Local Government Act. Another suggestion is for terminology such as 'first point of contact', 'customer advocates' and 'section 270 complaints' to be used for the three possible stages of internal review.
149. The issue of complaint definitions is one which I have given some thought to during this audit. I encouraged councils not to define types of complaints as such, rather to define the procedures used to handle complaints. My concern here is that definitions of types of complaints may serve to reinforce a view that some complaints are more valid than others. To the complainant, their presenting concern is both important and valid. What matters most is knowledge that the complaint is taken seriously, and that it will be handled appropriately and promptly. Council policy and procedures documents should make clear that there are different procedures available for handling complaints, and that the procedure used will largely be determined by the consumer.

150. Experience from successful complaint handling agencies suggests that a graduated or staged approach to complaint handling is effective.

Stage 1: First point of contact

Staff empowered with clear delegations to resolve complaints wherever possible at first contact (not necessarily front counter). Staff log complaint details, including outcome, and report to management.

|

Stage 2: Second point of contact (optional)

More senior staff or designated complaint officer reviews or investigates unresolved complaint. Matter is resolved and reported to management team - or referred to Stage 3 process. (This step is not necessary if the complaint should go directly to Stage 3).

|

Stage 3: Internal review of council decision

Formal section 270 process involving senior staff independent of the matter under investigation and/or a review officer appointed from another council or external panel. A written report to the management team and to the council is essential.

Figure 16: A proposed graduated model of complaint handling for SA councils

151. A model for consideration is outlined at Figure 16. It is important to recognise that the option of referral to external review, including use of an alternative dispute resolution procedure, must be available and known to complainants, particularly if a matter escalates beyond the first point of contact. This means that complainants should be empowered by giving information about the available procedures to enable them to choose how a matter is to be handled. In many practical situations this would mean telling complainants that their issue can be dealt with using an 'informal process', i.e. on-the-spot or immediate follow-up with little or no documentation needed - and a resolution reached promptly.
152. However, should they choose to have the matter investigated there should be early information provided that 'manager review', 'formal review' or an external approach to the Ombudsman are all available options.
153. In my experience most complainants are reasonable when given straightforward information about the choices they have in resolving an issue. Whilst that is not always the case, it is preferable to err on the side of full disclosure rather than any suggestion arising later that a complainant has not been fully informed of their options for resolution.
154. I acknowledge that most councils try to resolve complaints at the first point of contact and that a graduated system of escalation towards formal and external review is warranted. On the audit evidence to hand, I concluded that councils do consider and address complaints on their merits. This is a sound

approach, as long as all options are clearly available for consumers to decide what procedure they want used to address their grievance.

Finding

Distinguishing complaints from requests for service is an area where systems and standards are inconsistent and inadequate across councils. Defining a graduated system of complaint handling procedures is appropriate practice. Classifying complaints into a hierarchy of merit is not.

Recommendation

That all councils establish a clear process of internal graduated complaint handling including first point of contact, optional referral to senior staff for investigation and section 270 internal review procedure.

A model for consideration is outlined at Figure 16.

3

4.5 COMPLAINT MANAGEMENT INFORMATION SYSTEMS

155. The issue of efficient and accessible complaint management information systems is directly linked to a council's policy settings and to definitions and categorisation of complaint procedures. From responses to the audit questions it is apparent that there is a wide variation in records management systems for registering and monitoring the progress of complaints.
156. Whilst there is evidence that handling of complaints across most councils is responsive and efficient, the ability of councils to track and review matters in their systems is much less robust. Many councils have recognised this as an area which requires attention and improvement. Better capture of information relating to complaints is a stated priority of many of the senior managers interviewed for this audit. Councils spoke of delivering a more refined and detailed range of complaints information through existing computer systems and software upgrades.
157. Some councils still maintain complaint records at the departmental or section level, while others keep electronic system upgrades in proportion to the relatively small numbers handled. Regardless, all have agreed that a central mechanism is important for consistent follow-up, monitoring and reporting purposes. To do this properly the collection and collation of information from all council departments and work sites is essential.
158. Ideally, the system in place should be able to record and process the full range of complaints handling information including:
 - complainant's details
 - nature of complaint
 - expectation of complainant
 - responsible officer
 - progress of complaint through the process
 - actual response time
 - outcome of process
 - action taken

- recommendations for improvement.
159. At first glance a system with these capabilities looks detailed. However, staff trained to use the system should be able to record these details promptly, including for matters handled using an informal or first point of contact process.
160. As noted, some councils are currently in the process of investigating software applications to upgrade their complaint handling information systems. For example, I have been advised by two councils that they are investigating use of the Microsoft XRM system. As I understand the capability, the system can be interfaced with the TRIM document management system to enable a full range of recording, workflow and centralised reporting features to complement an existing information technology platform.
161. Across the twelve audited councils I discovered a variety of systems in use including SynergySoft, Proclaim, Dataworks, Authority 6 and the manual Excel register system. Clearly the diversity of records management systems and capabilities is driven by the overall focus of councils' business needs. To a significant extent capability is constrained by the cost of upgrades. Some councils have advised me that there are opportunities to enhance their existing system without major cost implications. I have suggested to councils that they may wish to share information and/or expertise and costs in upgrading their complaint information systems to suit individual council business needs.
162. The LGA may be in a position to assist with investigation and advice to councils on technology options suitable for use as reliable complaint management information systems.
163. Smart technology is also appearing rapidly. The new mobile phone application Snap, Send Solve (**SSS**) may become a more commonly used method for documenting and reporting information to councils as a request for service. SSS allows users to report issues and provide feedback to the local council within thirty seconds. The user does not need to be in their local council area or know which council they are in. SSS determines the user's location via GPS and sends the user the relevant council details including location and email contact. All reports sent from SSS to local councils are done via the user's own email address to facilitate contact between the user and the council.
164. The intended use of SSS is primarily for infrastructure problems including littering, hard rubbish dumping, illegal parking, street cleaning issues, problems with roads or footpaths, and trees that require pruning or removing. SSS is not limited to infrastructure issues - people can also send in general requests about local government matters. Users can send a photograph of the problem along with their report but this is not required. The application therefore has some potential implications for making complaints.
165. In South Australia, two metropolitan councils have included SSS on their website. One has linked SSS to the existing Customer Request Management System to facilitate the processing of SSS reports.
166. Another application, Neat Streets, is very similar to SSS except that all reports are first sent to the Neat Streets company, which then sends the report to the appropriate council based on the user's GPS location.

Finding

4

Audited councils' complaint handling information systems have a diverse range of capability and are currently limited in performance. Recording, workflow and centralised reporting features are essential to sound complaint handling processes. There are opportunities for councils to share resources, expertise and new technologies in this area.

Recommendation

That all councils have in place systems to enable logging, tracking and analysis of complaints and to separate these from requests for service. This will include a system for monitoring complaint outcomes, the implications for council policy and decision making and the identification of systemic weaknesses and underlying problems.

4.6 INFORMATION FOR THE PUBLIC

167. Councils' audit responses to questions about website information and the use of brochures were typically positive and open. There is a clear awareness of the value of community engagement to council business, including complaint handling. In general terms councils have put considerable thought into producing detailed information. Usually these are policy documents and customer service charters, which are made available on websites. However, there are issues of accessibility and brevity which need to be addressed.
168. Many councils indicated a willingness to improve the quality and accessibility of information to the public, recognising that the current standard of practice is limited. Using the self assessment tool of rating against core elements of the Australian Standard for Complaints Handling only one council rated its practices as 'excellent' and another three 'good' on the indicator of:

Publicised, readily available information about complaint handling processes which is easy to read and understand.
169. Six councils rated themselves 'satisfactory' while two indicated their practices were 'poor'.
170. On some matters, I found that councils had used the self assessment tool to take a fairly critical look at their complaints systems and practices. In fact I estimated that practices were sometimes better than the ratings councils gave to themselves. However, on the issue of information to the public, I think the self assessment results are a fair indication of practices across the sector. There is considerable room for improvement in this area.
171. Regarding availability of a website direct link to complaint handling information on the council homepage, only four of the twelve councils indicated they had such a link. The remaining eight councils all said that they do not currently have a link - but 'intend to make that link soon'. Some subsequently reported to me that they have already created and made the homepage link available.
172. The suggestion I made, based on the good practice in some councils, was for provision of a direct link on the website home page to 'Complaints' - and how

to make them under a 'Quick Links' portal or similar. This can also be done in conjunction with an opportunity to make a compliment should councils choose to invite both. Several councils in the audit group have produced excellent examples of accessible website information for the public. They have taken the approach of writing a succinct, informative outline of their complaint handling process and attached links to longer policy and/or procedures documents which can be read as needed.

173. On the question of provision of pamphlet type information, five of the twelve councils had some kind of pamphlet or flier available to the public which mentioned complaints and/or compliments and feedback. However none of these were specifically dedicated to explaining the complaint handling process. As part of my feedback to councils I have urged all to consider developing a complaints pamphlet to complement the information displayed on websites and in other media. There are many excellent examples of useful complaints leaflet/brochure type information available, including from councils in the United Kingdom such as Southwark Council in London.
174. With regard to complaints information available to the public in languages other than English, only one council provided this from the audit group of twelve. Taken together with the fact that only three councils keep statistics on consumers from different demographic and/or age groups, there would appear to be more work to do in considering diversity in council communication practices.

Finding

5

Audited councils all recognise the importance of clear, concise and relevant complaint handling information for the public. Good practice in website design and brief printed material is currently the exception rather than the rule. Councils have work to do to include the minority groups of their local communities in their communication strategies.

Recommendation

That all councils highlight a direct link on their website homepage to a plain English description of the policy and procedures for making complaints. This should include rights of review and (if chosen) an opportunity for registering a compliment or making a comment.

4.7 MONITORING OF COMPLAINTS AT SENIOR MANAGEMENT LEVEL

175. From my conversation with the twelve audited councils I am informed that many council senior management teams currently have only a limited role in complaint monitoring and review. A small number of councils did, however, have regular senior management complaints reviews. One council has 'significant' complaints listed on the weekly management team agenda. More commonly, management becomes engaged when the matter is a section 270 internal review of decision. This necessitates a formal process where a 'going by the book' approach is bound by the published procedure of council. Senior level oversight also typically occurs when a matter is deemed to have political or media implications - or where an issue concerns persistent unreasonable complainant behaviour.

176. These are all reasonable considerations and I support this approach. However, in my view the commitment to driving process improvement and enabling capacity to address any recurring complaint types or problems in the system are also matters for senior management. There are benefits in considering how learning from operational matters can support and add value to the strategic decision making of the senior executive team.
177. Given my general observation that most council complaint handling systems require updating and refinement, a logical complementary step would be a more active complaints monitoring role for the senior management team of council. Centralised complaint management, better policy awareness, enhanced reporting and complaint process improvements are all objectives of leading practice. These are appropriately facilitated at the senior management level where all business and service units of council are generally represented.
178. Responses from councils on this issue were positive and considered. Many believe that senior management has a role to play in enhanced complaints handling systems and much to gain from more effective procedures. As well as taking a 'learning from mistakes' approach, the upgrade of management oversight has the additional benefit of raising the profile of complaints handling with staff. This is a particular advantage for councils wishing to improve consistency in service delivery, promote customer service and develop strong, positive relationships with the community. These are all important elements of a complaint valuing culture.
179. With regard to processing of section 270 reviews and contact around complaints received by my office, there is scope for council senior management to maintain an ongoing watching and review brief for both areas of activity.

Finding

Senior management monitoring and operational learning from complaints is currently limited in scope and infrequent across audited councils. A more comprehensive and regular oversight at the level of senior management is a desirable operational and strategic planning tool for councils.

Recommendation

That all councils regularly review complaints at the level of senior management. As appropriate, a summary should be prepared, including outcomes, for the council Annual Report.

6

4.8 TRAINING MATTERS

180. In general terms, training was seen as an effective capacity building and planning priority for the audited councils. Some have comprehensive training plans which are regularly reviewed and updated. The growing awareness and application of quality management principles - in particular a consumer focus and continual improvement approaches - augurs well for development of a complaint valuing culture across local government in South Australia.

181. With regard to the specifics of training offered or mandated for complaints handling in councils, the evidence shows mixed results. While ten of twelve councils audited provided training in complaint handling skills for staff who are expected to deal with complaints, the focus of the training is limited to generic skills. For example, the statistics are reversed when the question is asked about provision of training for officers exercising delegated authority for handling section 270 reviews. Ten councils indicated they had no such program in place. Only two reported that they provided section 270 training.
182. Currently, there is some training provided which focuses on customer relations and conflict resolution strategies. Handling difficult or aggressive customer behaviour has been a popular training module across councils. I support these initiatives and understand the emphasis placed on these approaches. In fact there may be some value in councils looking to pool resources to upgrade formal in-house training for managing unreasonable complainant conduct. Despite the fact that no council in the audit group reported a 'significant problem' with unreasonable complainant conduct, nine of the twelve did report some problems in this area. Dealing with difficult, even querulant behaviour, is a fact of life for councils, as is dealing with unusually persistent and unmeritorious complaints. These can consume large amounts of staff time and incur a legal cost which puts strain on council resources.
183. From my discussions with councils and their responses to my preliminary findings, there appears to be some serious consideration being given to expanding the content of complaint handling training programs. In addition to specialist training in complaint management information software, I have suggested that council staff across the board would benefit from training in new complaint handling policies emerging from reviews currently underway. Added to this might be site or role specific training which may serve to interpret policy in operational terms at the front-line of service delivery and customer contact.
184. One council indicated plans to extend training across executive, management and administrative staff and to upgrade conflict resolution, mediation and specialist training in high needs areas such as mental health. These are sound initiatives with broad application across council business. Upgrading in-house training for all staff is a useful approach for reinforcing a complaint valuing culture in the organisation.

Finding

Audited councils value the capacity building benefits of staff training. They see upgraded training in complaint handling information systems, policy and procedures and unreasonable complainant conduct policies as an investment in improved service delivery.

Recommendation

That all councils prioritise training for staff in the appropriate handling of complaints, including an understanding of alternative dispute resolution approaches, and the in-house policy and procedures for section 270 internal reviews.

7

4.9 COMMUNICATION WITH OMBUDSMAN SA

185. Prior to my face-to-face conversation with councils I forwarded questions for discussion arising from the audit survey returns. As part of that communication I advised councils of the number of complaints received by my office for their council. This information was known to some councils. Others were surprised and concerned to hear of significant numbers of complaints which had not come to their attention. Another group indicated that they were not aware of any complaints made directly to my office and that this was the first they had heard of them.
186. In itself, this situation is not a significant problem, given the complaints raised with me were dealt with satisfactorily between my officers and council staff. However, it is clear that many senior managers did not know the details of a large percentage of matters brought to me by members of the public. In my view the broader issue of councils' awareness of complaints at the level of senior management is directly relevant to the development of a robust complaint valuing culture. Capturing and analysing information on all complaints directed at a council is in the interests of the council. This will enhance the ability to systematically review and analyse grievances and identify recurring problems which need to be addressed.
187. The raw numbers of complaint figures coming in to my office each year demonstrate that many people know about the Ombudsman's role. I am also aware of assertions that some councils prefer to refer complainants to my office to avoid having to handle a matter themselves. Whether that is true or not, it would appear that there are varying levels of awareness about the role in different communities across the state. This may partly account for the wide disparity in numbers of approaches to my office. A reasonable observation might be that people with an understanding of the role of the Ombudsman, or who are advised by others, may be inclined to make an approach to my office before they make contact with their council.
188. Some are attracted by the independence of the role and the perception of Ombudsman power to change decisions. Whilst I have no authority to direct a council to change a decision, there is certainly evidence that the process of investigation and recommendation produces results. People get to know this and often prefer this route to resolve their complaint, rather than trusting in the internal processes of a council.
189. Other people simply want to go 'straight to the top' to seek redress. In most of these situations my office either refers the matter back to council for follow-up or seeks to resolve the matter with council cooperation. In all but a few cases my officers are in contact with councils about complaints received. Therefore there is every reason to expect that council senior management will have a good working knowledge of most complaints about their councils coming to my office.
190. Aside from the obvious issue of resources available to handle the volume of complaints, there is an important principle involved which is at the heart of this audit. Public sector agencies have an obligation to have in place accessible and effective grievance processes at the level of the local administration. Resolving small problems before they become big problems, providing remedies to those who have suffered disadvantage and nurturing good relations between council and its public are clearly local level responsibilities.

An approach to the Ombudsman should always be a last resort with councils capable of, and keen to, resolve complaints directed to them.

191. An area requiring significant attention across the sector is council initiated contact on complaints monitoring and learning from investigations. A question which could be asked by councils is:
- Why did this person feel the need to go to the Ombudsman rather than registering their complaint or request for review of decision with council?
192. I consider that many of the complaints my office responds to each year could have been handled by councils. Some of the case studies recorded each year in the Ombudsman SA Annual Report illustrate the types of matters councils should be resolving at the local level:
- a) if more people were aware that section 270 provisions existed before they approached the Ombudsman
 - b) if the matter had been taken up with council and a complaint registered from the outset
 - c) if there were more confidence in more councils' ability to handle complaints effectively and with procedural fairness
193. As this audit progressed I considered ways to improve the channels of communication between councils and my office. In addition to maintaining ongoing operational contacts, I intend to issue a confidential half-yearly report from my office detailing complaint matters specific to each council. My intention is to assist monitoring and review processes, and to ensure as much information as possible is provided to enable councils to resolve more complaint matters locally. In response to representations made to me about advising councils of the status of any complaint matter which has come to my office, I have confirmed that this information will be made available to councils in my regular reports.
194. To facilitate the flow of information between my office and councils, I propose that all councils consider designating a liaison officer to act as first point of contact for complaints received by my office. The proposal is for the liaison role to be assigned to an existing position, not to create a new position. Ideally the designated officer should be a management level employee with ready access to colleagues across council. The person should also have delegated authority to obtain information as appropriate to a particular matter - and to report complaints to the management team. In situations where the liaison officer is directly involved in a matter, I would prefer to have my officers deal directly with the chief executive officer or her/his nominee.
195. As part of the information sharing approach I asked the twelve councils involved in this audit to consider including a summary of the proposed Ombudsman office six-monthly advice in their Annual Reports. A complaint valuing culture is one which is transparent and open about grievances raised and any mistakes made.
196. I propose that these approaches be adopted across local government in South Australia.

Finding



Two way communications with the Ombudsman is an essential part of council complaint handling business. Ombudsman SA recognises that an improved reporting commitment to councils will assist monitoring of complaints, encourage more learning from investigations and improve annual reports to the public. A liaison officer role with Ombudsman SA is proposed for all councils.

Recommendation

That all councils establish a dedicated liaison officer role to facilitate information flow, analysis and learning from complaints handled by Ombudsman SA as related to that particular council.

PART 5

COMPLIANCE WITH SECTION 270: INTERNAL REVIEW OF COUNCIL DECISIONS

5.1 HOW THE STATUTORY PROCESS IS DESIGNED TO WORK

197. Internal review is a key accountability mechanism for local government. It enables people to test the merits of decisions that affect them. The practice aims to improve the quality, efficiency and effectiveness of council decision making generally. As this is the formal review mechanism mandated by law, compliance warrants close inspection. Councils' use of the formal review mechanism needs to be considered as part of any broader evaluation of current systems and practices.
198. Section 270 of the Local Government Act is one section of Part 2 which deals with internal review of council actions. It currently reads as follows but amendments will take effect on 10 December 2011:

270—Council to establish grievance procedures

- (1) A council must establish procedures for the review of decisions of—
 - (a) the council;
 - (b) employees of the council;
 - (c) other persons acting on behalf of the council.
- (2) The procedures must address the following matters (and may address other matters):
 - (a) the manner in which an application for review may be made;
 - (b) the assignment of a suitable person to reconsider a decision under review;
 - (c) the matters that must be referred to the council itself for consideration or further consideration;
 - (ca) in the case of applications that relate to the impact that any declaration of rates or service charges may have had on ratepayers—the provision to be made to ensure that these applications can be dealt with promptly and, if appropriate, addressed through the provision of relief or concessions under this Act;
 - (d) the notification of the progress and outcome of an application for review;
 - (e) the time frames within which notifications will be made and procedures on a review will be completed.
- (3) A council is not entitled to charge a fee on an application for review.
- (4) A council, or a person assigned to consider the application, may refuse to consider an application for review if—
 - (a) the application is made by an employee of the council and relates to an issue concerning his or her employment; or
 - (b) it appears that the application is frivolous or vexatious; or
 - (c) the applicant does not have a sufficient interest in the matter.
- (5) A council must ensure that copies of a document concerning the procedures that apply under this section are available for inspection (without charge) and purchase (on payment of a fee fixed by the council) by the public at the principal office of the council.
- (6) A council may amend the procedures established by the council under this section from time to time.

- (7) Nothing in this section prevents a person from making a complaint to the Ombudsman at any time under the *Ombudsman Act 1972*.
 - (8) A council must, on an annual basis, initiate and consider a report that relates to—
 - (a) the number of applications for review made under this section; and
 - (b) the kinds of matters to which the applications relate; and
 - (c) the outcome of applications under this section; and
 - (d) such other matters as may be prescribed by the regulations.
 - (9) The right of a council to recover rates is not suspended by an application for the provision of some form of relief or concession with respect to the payment of those rates (but a council may then, if appropriate in view of the outcome of the application, refund the whole or a part of any amount that has been paid).
199. Section 270 internal reviews are generally available to complainants except where existing review processes or prescribed statutory appeal or review procedures are available. Examples are the *Freedom of Information Act 1991*, *Development Act 1993*, *Environment Protection Act 1993*, *Local Government (Elections) Act 1999* and Code of Conduct issues, amongst others.
200. Allegations of illegality, including fraud and corruption must be referred to the Anti-Corruption Branch of the South Australian Police. The Whistleblowers Protection Act is in place to facilitate reporting and investigation, with appropriate protections, of maladministration, waste, and corrupt or illegal conduct to authorities.
201. In the case of grievances that relate to the conduct of council employees, such matters are handled by line managers in accordance with the employee code of conduct mandated by section 110 of the Local Government Act. Grievances that relate to elected members are usually handled by the mayor, deputy mayor or chief executive officer in accordance with the code of conduct prepared and adopted under section 63 of that Act. Grievances that relate to a decision made by the chief executive officer are referred to council for determination.
202. It should be noted that commencing a council section 270 review procedure does not preclude the option of referring the complaint to my office. However, my preference is that the internal review process be used, unless there is good reason not to do so.
203. Under section 271 of the Local Government Act, a council may choose to deal with a dispute by referring the matter to mediation, conciliation or neutral evaluation. If both parties agree to this course of action, the council should provide resources for the process in the same way that internal complaint handling costs are carried by the council.

5.2 HOW THE SECTION 270 PROCESS IS WORKING IN COUNCILS

204. Figures collected annually by the Local Government Grants Commission show that the use of section 270 reviews is limited across councils in South Australia. Most councils involved in the audit reported nil or only one or two section 270 reviews processed in the 2009-2010 year. Only one council reported more than five section 270 matters. In total there were sixty across the sixty-eight councils in that year.²²
205. Reasons for the low rate of use may include:
- lack of public awareness, contributed to by apparent lack of referral by council staff
 - councils' preference for dealing with complaints informally without the use of formal review procedures that need to be reported
 - the simplicity and cost-effectiveness of referring complainants to external agencies.
206. Responding to my inquiries about use of the section 270 provisions, one council made the following statement which I think bears out these assumptions and summarises the views I heard across councils:
- We would hope that the low number of section 270 reviews is an indication of the high success rate in resolving complaints before they are elevated to a formal process. In reality this may be a little flattering, as it probably also reflects that complainants are -
- not prepared to progress to a formal process;
 - suspect it would be a waste of time and only result in the same outcome as their informal process;
 - prefer an alternative complaint process (e.g. Ombudsman); or
 - not aware of the formal 270 process
207. The statement presents a number of challenges for councils in ensuring that their internal section 270 processes work to redress grievances effectively. I make further comment on these issues below. However, the statute does not allow a choice. The Local Government Act mandates internal review to enable substitution of a new decision if the decision under review is found to be defective on matters of law, merit or administrative process. As such, councils are obliged to ensure that the policies and procedures they have in place are both accessible and workable.
208. In my review of the twelve audit returns I examined the details of each council's section 270 internal review of council decisions Procedure document. Despite the fact that a number of councils had recently reviewed their procedures, I found that eight of the twelve councils had failed to incorporate recent amendments made to section 270 of the Local Government Act.
209. Sub-section (2)(ca) of section 270 requires the procedure to address:
- in the case of applications that relate to the impact that any declaration of rates or service charges may have on ratepayers - the provision to be made to ensure that

²² Source: South Australian Local Government Grants Commission.

these applications can be dealt with promptly and, if appropriate, addressed through the provision of relief or concessions under this Act;

210. The omission of proper reference to subsection 270(2)(ca) means that most of the audited councils' current section 270 procedures do not fully comply with the Local Government Act. This is an unsatisfactory state of affairs. Moreover, I have confirmed that this deficiency is not confined to the eight councils in the audit group.
211. My office has done a further random sample of ten councils outside the audit to check on inclusion of this provision. Six of the ten councils reviewed this way are non-compliant with subsection 270(2)(ca). This outcome indicates that the problem is widespread across councils in South Australia. I note that the LGA's GGAP made a similar finding in 2010.
212. In the case of the audit group, I advised the councils involved of the need to be compliant. I have also made suggestions as to how their procedures might make an appropriate reference to this provision for the benefit of members of the public.
213. A further issue arose with regard to complaints procedures referring to rates. I discovered that in some cases, councils had developed, (and even revised) their section 270 procedures, to include wrong references to rating matters by inserting clauses which specifically excluded them from the internal review process. In these cases I again advised that this error needed to be corrected as part of an overall revision of procedures.
214. In my feedback to councils I noted that sections 270(2)(ca), 270(8) and 270(9), were inserted by the *Local Government (Financial Management and Rating) Amendment Act 2005*, and came into force on 25 January 2007. I included a relevant extract from the second reading speech for that amendment as follows:

This Bill's objectives are to strengthen and improve accountability and flexibility, and strengthen requirements relating to council rating decisions. In particular the measures will introduce further improvements to council processes for long term financial planning, requiring greater transparency and public consultation in the adoption of annual business plans and budgets, and declaring rates. Importantly, councils will be required to consider the impact of their rating decisions on ratepayers. This requirement formalises a process that many councils already follow, but as the Government has previously stated, we believe other councils have been slow in responding to the negative impacts of their decisions on their ratepayers and more needs to be done...

In relation to individual rates liability, the Bill will equip councils with additional flexibility to give relief from rates in appropriate circumstances and, over and above any concessions that they may be entitled to, State Seniors card-holders will have the right, on a non-concessional basis, to postpone all of the council rates otherwise payable. It is a key principle that Local Government is an independent and legitimate sphere of Government and should be accountable to its community. However, as a responsible and accountable sphere of government clear provisions for a review of a council's decision are required. The Bill therefore proposes to:

- clarify that the amount payable by a ratepayer is a matter for which a review can be requested under a council's formal procedure for internal review of its decisions;
- require councils to have procedures to deal promptly with requests for such reviews; and
- clarify the Ombudsman's jurisdiction in this regard should a council be unable or unwilling to resolve a matter.²⁴

215. On a separate matter, I drew attention to one council's section 270 procedure document which stated:

The focus for review of Council decisions will be on process review not merit review. ...

216. This is a wrong interpretation of the statute. I can find no impediment to reviewing the merits of a decision in the legislation. Further, as a matter of good governance complainants are entitled to a review of all aspects of a decision, including merit, under section 270 of the Local Government Act.

217. As noted by the Commonwealth Administrative Review Council:

...The purpose of a merits review action is to decide whether the decision which has been challenged was the 'correct and preferable decision'. If not, a new decision can ordinarily be substituted. The process of merits review will typically involve a review of all the facts that support a decision.²⁵

218. I therefore suggested that the council modify its procedures document accordingly.

219. Some complainants (and some councils) believe that section 270 reviews serve only to reconfirm the original decision made by a council. In many cases this may well be the reality. However I make the point that if the procedure is confirming the soundness and validity of the original decision making process, it is serving a useful purpose for council's confidence in its own standards of public administration and procedural fairness.

220. Procedural fairness is an area where councils need to ensure standards are high and seen to be so. One method of enabling this is to ensure that reviewing officers or panels set up to investigate complaints under section 270 are independent of the council itself. There is evidence from this audit that using outside people (usually a senior manager from another council) to oversee an internal review is a practice which is becoming more recognised in councils. There are also suggestions that use of independent people registered with a network or a panel by the LGA may assist the functioning and credibility of the internal review process. While external reviewers are used occasionally in South Australian councils, they are not yet widespread or common. Often matters are referred to legal firms to resolve when the internal review process should be used - with external assistance as appropriate.

221. With regard to an application for review which is covered by an alternative statutory process, I have found a wide variation in council methods for citing exclusions. Some councils have no clause covering exclusions at all. Others have lists including as many as eighteen prescribed statutory appeal or review

²⁴ Hansard, House of Assembly - Parliament of South Australia 3 March, 2005.

²⁵ Overview of the Commonwealth System of Administrative Review, Administrative Review Council, part 8, version 8 March 2011.

procedures. Others again make a general statement about when the section 270 procedure will not apply and then give examples of when it may apply.

222. I favour an approach whereby section 270 exclusions are uniformly cited or referred to across local government. A more consistent outline of exclusions should also allow for discretion whereby councils reserve their right to consider any request for internal review. This may include matters that are otherwise subject to a specific appeals process in circumstances where it is considered appropriate, and where to do so is not inconsistent with the other available appeals processes.
223. I suggest this approach in the interests of allowing councils the option of resolving a matter expeditiously. Such action may avoid subjecting a complainant to a lengthy appeal or court process in situations where there is potentially a simpler solution at hand. This may be appropriate for some straightforward technical or administrative matters which arise which can be dealt with through internal review.
224. Consideration of a standard form of wording for exclusions and the discretion to consider other matters may usefully be addressed in the development of the LGA's Model Complaints Policy. I understand that process will produce a template document for the local government sector.

5.3 KEEPING SIGHT OF THE OBJECTIVE

225. When asked the question: 'What actions do you believe would help your council improve its section 270 internal review practices?' - a range of positive suggestions were put forward by councils involved in the audit, including:²⁶
- Council needs to review its policy and then undertake a public awareness campaign, advising the community that the process is available.
 - The use of section 270 applications is extremely limited and it is therefore difficult to ascertain improvement ideas. One matter is to make complainants more aware that they have a right under the act if they wish to exercise it. This comes down to making procedures and processes more known.
 - Officer training and, paradoxically, more requests to undertake reviews, lack of experience/practice means the process is laborious and inefficient, unnecessarily time consuming.
 - Better integration with complaints handling as an entire process.
 - Council recognises that the availability of these reviews has not been readily visible for customers nor discussed with them in every instance. Improved accessibility to this information on the website and in brochures, in conjunction with improved training of staff would significantly improve our practices.
226. Internal review is a narrower concept than that of general complaint handling. Many councils recognise this through the articulation of separate policy/procedures documents which seek to delineate the two. Complaint handling usually focuses on issues of service delivery and process, whereas internal review includes reviewing a particular decision on the merits, with the

²⁶ See Appendix B, pages 79-81.

possibility of a changed outcome. While observing that the principles underpinning good complaint handling and internal review are similar (for example fairness and efficiency), it is important to recognise the specific statutory requirement for reconsideration of decisions using a formal process.

227. Noting these differences and the current practice of producing separate policy and procedures documents, I have reminded councils about the soon to be commenced amendment to the Local Government Act. This will require a section 270 policy to complement the existing procedures and may be an opportunity to re-think presentation. As outlined in 4.3 above, there is merit in exploring the option of a single, integrated public document which captures general complaints and section 270 policies and procedures. Such an approach may be usefully explored with councils by the LGA in the context of its Model Complaints Policy development work.
228. In considering this it should be remembered that while the immediate aim of both internal and external review of decisions is usually to ensure justice has been done in an individual case, the ultimate aim of the review system must be to improve council decision making.
229. As such it is important to consider a range of matters such as:
 - systemic issues e.g. the increasing complexity of policy and legislation
 - appropriate levels of contact between internal review officers and original decision makers about specific decisions
 - general feedback and communication with complainants and the community and
 - using internal reviews to detect problems in administration and policy.
230. Whilst councils are understandably concerned to keep formal complaints, and hence internal reviews, to a minimum, it is important in the design of internal review processes for them to consider the advantages the mechanism offers. These include satisfying complainants who might otherwise not take up external review rights or those who unnecessarily pursue the more resource and time-consuming external processes. Internal reviews may also be seen as a useful quality control mechanism, wholly 'owned' by a council, with the best chance of feeding back and influencing primary decision making.
231. It should be noted there are drawbacks to the conduct of internal reviews, including delays in reaching settlement and deterring complainants from reaching a genuinely independent review body. Other risks are 'capture' by the agency culture, resulting in few variations of original decisions and inconsistent treatment of complainants in different geographic areas or regions. For these reasons, minimum standards and robust processes for the internal review procedure are important policy and quality control issues.
232. Internal review mechanisms should be timely, free, undertaken by sufficiently independent review officers, and involve an appropriate level of contact between internal review officers and complainants. They should also allow for the involvement of independent external reviewers brought in to the internal process in appropriate circumstances. I am advised that a number of councils in South Australia already consider this option as part of their section 270 procedure. I note that the LGA is considering these issues in the context of its Model Complaints Policy advice to councils. I strongly support this initiative.

9

Finding

A majority of audited councils have section 270 internal review procedures in place which are not fully compliant with the *Local Government Act 1999*.

All councils will benefit from a more open and confident approach to use of section 270 reviews as a valid mechanism for achieving justice in individual cases and improving council decision making generally. The Local Government Association's work to develop a Model Complaints Policy is a valuable initiative for the local government sector.

Recommendation

That all councils ensure that their internal review of decision procedure is fully compliant with the requirements of section 270 of the *Local Government Act 1999*.

Further, that all councils consider a standard form of wording for exclusions and a statement about the exercise of discretion in accepting matters for review.

As an adjunct to development of complaints policy, councils should consider the merits of establishing a network or panel of independent reviewers from which to draw support for internal review processes.

PART 6

THE LEGISLATIVE AND REGULATORY FRAMEWORK

6. THE LEGISLATIVE AND REGULATORY FRAMEWORK

233. A key objective of this audit is to make recommendations relevant to any changes to the legislative framework for complaint handling and to propose changes in relation to the system and practices of the councils subject to audit.
234. Section 270 of the Local Government Act requires each council to adopt a process for establishing procedures for the review of decisions of the council, employees of the council and other persons acting on behalf of council. Under amendments assented to by the Parliament in 2009 which will commence operation on 10 December 2011, councils will be required to develop policies and procedures for complaints handling and requests for services. The amendment specifically identifies 'complaints' and 'requests for service' and requires both policy and procedures to be in place. It reads:
- (a1) A council must develop and maintain policies, practices and procedures for dealing with -
- (a) any reasonable request for the provision of a service by the council or for the improvement of a service provided by the council
 - (b) complaints about the actions of the council, employees of the council, or other persons acting on behalf of the council.
- (a2) The policies, practices and procedures required under subsection (a1) must be directed towards -
- (a) dealing with the relevant requests in a timely, effective and fair way; and
 - (b) using information gained from the council's community to improve its services and operations.
235. A further amendment allows for the policies, practices and procedures established by councils to be consistent with 'any requirement prescribed by the regulations'. This allows for the government to introduce a code of practice or similar to stipulate minimum standards and specific elements which must be observed for complaint handling in councils. Such requirements could include giving effect to *inter alia* administrative law principles, information provision to complainants and minimum criteria for decision making.
236. At this time there is no decision by the Minister for State/Local Government Relations to introduce such a code of practice by regulation. I am advised that there has been some preliminary work done between OSLGR and the LGA on the form such a code might take. I note there is a working precedent in the planning portfolio where a Code of Conduct has been established under section 21A of the *Development Act 1993* for council Development Assessment Panels. In this instance the code is complemented by a Model Complaint Handling Policy. This has been developed by the LGA as part of its Better Governance Program for guidance and use by councils.

237. This audit of council complaint handling systems presents an opportunity, as the new amendments take effect and whilst the LGA is developing Model Complaints Policy, for an informed discussion on the merits of a regulated Code of Practice. On the evidence presented to me the standard of complaint handling in South Australian councils has some way to go to achieve best practice. The discussion between the stakeholders should therefore concentrate on what collective effort can be made to achieve that goal. As such, I make the following recommendations for maintaining the direction and impetus of reform in this important area of council operations.

Recommendation

10

That the Office for State/Local Government Relations continue to consult with the local government sector on the merits of a regulated Code of Practice for complaints and internal review of council decisions. If recommended, the code should establish minimum standards for complaint handling and incorporate the principles of administrative law.

Recommendation

11

That the Office for State/Local Government Relations facilitate occasional review of statutory requirements applying to complaints and internal review of council decisions with a view to maintenance of best practice standards and supporting the operational requirements of councils.

APPENDIX A



LOCAL GOVERNMENT (COUNCIL) COMPLAINT MANAGEMENT

AUDIT SURVEY QUESTIONNAIRE

As part of its administrative improvement role Ombudsman SA is undertaking an operational audit of a sample group of councils. The aim is to improve the complaints management systems of local government across South Australia. The sample group will consist of one council from each of the 12 state administrative regions.

Section 14A (1) of the *Ombudsman Act 1972* provides as follows:

If the Ombudsman considers it to be in the public interest to do so, the Ombudsman may conduct a review of the administrative practices and procedures of an agency to which this Act applies.

Section 270 of the *Local Government Act 1999* (LGA) requires procedures to be established for internal review of council actions. Maintenance of modern public administrative standards requires systems to be in place for enabling, responding to and learning from consumer complaints.

This document commences the audit process. It will be followed with an on-site interview with the council Chief Executive Officer and members of council staff.

Part A: Council details

(Please tick the relevant multiple choice boxes and attach additional pages if more space is required)

1. Council name.....
2. How many Full Time Equivalents (FTE) does your council have?
.....FTE's
3. Who are your council's consumers? *(please describe as you do internally, (eg. ratepayers, residents, tenants, businesses, ngo's)*
.....
.....
.....
.....
.....

-
4. Approximately how many consumer contacts did your council have in the financial year 2009-10? *(please enter numbers only)*

.....

5. Does your council; keep statistics on consumers from different demographic and/or age groups *(e.g. young people, women, seniors, non-English speaking background, Aboriginal)*?

- ☐ Yes
☐ No
☐ Don't know

6. If yes, can you provide a summary breakdown of consumers from each of your demographic areas?

7. Documents required:

- Council's complaint handling policy (and/or procedure)
- Council's customer service charter (if available)
- Council's Internal Review of Decisions procedure (and/or policy)
- Council resolutions adopting above policies and/or procedures
- Current delegations (and sub-delegations) to staff specifically related to complaint handling and Internal Review of Decisions
- Evidence of using complaint data for service improvement and/or better decision making

Please attach any other documents you believe are useful to understanding complaint handling approaches and practices in your council.

CEO *(for sign-off)*

Name.....

Signature.....

Date.....

Part B: Council complaints handling systems

1. Does your council have a definition of a complaint?

- ☐ Yes
- ☐ No
- ☐ Don't know

(a) IF Yes, please provide the definition. *(You may also choose to distinguish between a complaint and a request for service. Please note this survey is not about requests for service.)*

2. Please outline, in a simple diagram, how the complaint handling process works in your council.

3. Is your council's complaint handling system based on a standard or model (e.g. Australian Standard)?

- ☐ Yes *(In the box below please identify the standard/model)*
- ☐ No *(In the box below please comment)*
- ☐ Don't know

4. How many complaints did your council receive in 2009-10? *(Please enter numbers in total for both 'informal' and 'formal' complaints; exclude any subsidiaries and requests for service)*

5. What does your council mainly receive complaints about? *(Please tick all that apply)*

- ☐ Staff behaviour (such as being rude or aggressive)
- ☐ Breaches of privacy and/or confidentiality
- ☐ How a decision was made
- ☐ Delays in making a decision
- ☐ Incorrect decisions
- ☐ Unfair decisions
- ☐ Failure to act
- ☐ Incorrect or misleading advice
- ☐ Misconduct or corrupt behaviour
- ☐ Type of good/service provided
- ☐ Quality of good/service provided
- ☐ Delays in providing a good/service
- ☐ General administration of a service
- ☐ Policy
- ☐ Other *(please specify below)*

6. Does your council have a customer service charter or a customer service philosophy incorporated in other policy/procedures for handling complaints?

- ☐ Yes
- ☐ Incorporated in other policy procedure
(Please specify which document)

- ☐ No
- ☐ Not relevant

Please explain why you gave the answer above:

7. *(If you answered Yes to Q6)* Does your council's charter or similar document indicate that your council is open to consumer complaints?

- ☐ Yes
- ☐ No

8. Does your council's charter or similar document recognise that complaints are a useful source of feedback?

- ☐ Yes
- ☐ No

-
9. Does your council have a written policy on complaints handling?
- ☐ Yes
☐ No
10. Is your council's complaint handling policy (or brief version) readily available to the public? *(If so, please indicate where and tick all boxes relevant).*
- ☐ Yes
☐ On website
☐ On forms
☐ In brochures
☐ Copies at front counter
☐ Other *(please specify in the box)*
-
- ☐ No, it is not available
11. How valuable to your council is the feedback obtained through customer complaints?
- ☐ Extremely valuable
☐ Valuable
☐ Neither valuable or not valuable
☐ Not that valuable
☐ Not at all valuable
☐ Not applicable
12. If (or not) your council has a prominently placed phone number and/or email address for making a complaint to your council, please indicate where it is located *(Please tick all that apply)*
- ☐ Website
☐ White Pages
☐ Signs
☐ Posters
☐ Pamphlets
☐ On correspondence
☐ At the front counters
- ☐ No, it is not prominently displayed
13. Does your council's website have a direct link to complaint handling information displayed on the homepage?
- ☐ Yes
☐ No
☐ No, but we intend to make that link soon

14. Are there any staff specifically authorised to handle complaints in your council? *(Please tick all relevant boxes)*

- | | | |
|-----------------------------------|------------------------------|-----------------------------|
| • All staff? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| • No staff especially authorised? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| • Contact or front line staff? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| • Dedicated complaint handlers? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| • Complaint system co-ordinator? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| • Line managers, directors, CEO? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Comment:

15. Does council provide training in complaint handling skills for staff who are expected to deal with complaints?

- ☐ Yes
☐ No

If yes please give some details about the training provided for different staff groups:

16. Is information about where and how to make a complaint provided in languages other than English?

- ☐ Yes
☐ No

Some of the languages are:

17. Does your council have a complaint management information system (manual or electronic) that records complaints received?

- ☐ Yes ☐ Manual ☐ Electronic
☐ No

Comment:

18. (If answered Yes to 17) which of the following does the complaints management system record?

- | | | | | |
|--|-----|--------------------------|----|--------------------------|
| a) Complainant's details | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| b) Nature of complaint | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| c) Expectation of complainant | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| d) Responsible officer | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| e) Progress of complaint through the process | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| f) Actual response time | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| g) Outcome of process | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| h) Action taken | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| i) Recommendations for improvement | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

19. Can people lodge a complaint on-line with your council?

- ☐ Yes
☐ No

20. Does a verbal complaint to front line staff trigger the same process as a letter written to the CEO?

- ☐ Yes
☐ No

Please explain why you gave the answer above

Part C: Compliance with requirements of the *Local Government Act 1999* and external referral of matters

1. Does your council have in place a procedure for Internal Review of Decisions which complies with the requirements of Section 270 of the *Local Government Act 1999*?

☐ Yes
☐ No
☐ Don't know
2. When was the procedure last reviewed by council?

.....MonthYear
3. Do you have a senior officer nominated as the Internal Review of Decisions Contact officer?

☐ Yes
☐ No
☐ Don't know
4. Has your council completed a Section 270 Internal Review of Decision in the past 12 months?

☐ Yes *(If Yes, please indicate how many completed)*
☐ No
☐ Don't know
5. Does your council have a procedure in place to ensure that where there is a request for review of a decision under S.270 the review is undertaken by a person independent of that decision?

☐ Yes
☐ No
☐ Don't know
6. If a referral is made to a person or organisation outside the council administration who do you go to?

☐ Lawyers
☐ Dispute resolution professionals
☐ Local Government Association of S.A.
☐ Senior employee from another Council
☐ A professional association
☐ Don't know
7. Does your council have a training program for officers exercising delegated authority for handling s.270 reviews?

☐ Yes
☐ No
☐ Don't know

-
8. Does your council, on an annual basis, prepare and consider a report on the number, type and outcome of s.270 applications for review?

☐ Yes
☐ No
☐ Don't know

9. Does your council routinely advise complainants of their external review rights (eg. Ombudsman), should they be dissatisfied with the outcome of their complaint?

☐ Yes
☐ No
☐ Don't know

10. Does your council prefer to deal with all complaints internally or refer complaints to an external review agency e.g. Ombudsman? *(Please tick all that apply)*

☐ Prefer to deal with matters internally
☐ Prefer to refer to external review agency
☐ Only refer 'difficult' complainants to external review agency
☐ Don't know

Comment:

11. Does your council communicate with the Ombudsman's Office to discuss complaints made to him about your council?

☐ Yes
☐ Only if his Office contacts us
☐ No
☐ Don't know
☐ We could improve our contact on complaints

Comment:

Part D: Complaints management best practice

1. Please rate your council against the following core elements of the Australian Standard for Complaints Handling:
 - A commitment at all levels within the council, which is reflected through a culture acknowledging citizens have a right to complain about matters which affect them
☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor
 - Fair treatment to both the person complaining (“the complainant”), and the section or person against whom the complaint is made
☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor
 - Allocation of adequate resources for handling complaints, with sufficient levels of delegated authority to the personnel dealing with complaints
☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor
 - Publicised, readily available information about complaint handling processes, which is easy to read and understand
☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor
 - A process which is accessible to all, with assistance provided for complainants to lodge complaints where required
☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor
 - A responsive process, where complaints are dealt with quickly, and complainants are treated with respect
☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor
 - Data collection and recording, with a systematic review and analysis
☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor
 - Identify recurring problems which need to be addressed
☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor
 - Report against documented standards
☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor
 - Ensure the complaint handling system is delivering effective outcomes
☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor

-
2. Is your council aware of the Local Government Association's Good Governance Assessment Program? *(please tick all boxes relevant)*

- ☐ Yes
- ☐ Yes, and we have been involved
- ☐ No
- ☐ Don't know
- ☐ We'd like more information

3. Does your council have a significant problem with unreasonable complainant conduct, (eg. ongoing nuisance, difficult behaviours, threatening behaviours?)

- ☐ Yes
- ☐ No
- ☐ Some issues but it's not a big problem
- ☐ Don't know

Please comment on the answer you gave above, including possible solutions if you have a significant problem

Part E: Suggestions for council policy and practice improvement and systems improvement.

1. What actions do you believe would help your council improve its complaint handling processes?

2. What actions do you believe would help your council improve its Section 270 internal review practices?

3. What actions do you believe would help improve complaint handling across the local government sector in South Australia?

4. If you have anything else you would like to tell us about your complaints management system, please provide below.

THANK YOU FOR TAKING THE TIME TO RESPOND TO THIS SURVEY

Please return to Kym Davey, Investigating Officer, Ombudsman SA, 5th floor, East Wing, 50 Grenfell Street, Adelaide SA 5000 - by cob Thursday 21 April 2011

APPENDIX B

Suggestions for council policy and practice improvement and systems improvement.

1. What actions do you believe would help your council improve its complaint handling processes?

Council A

- Better monitoring of complaints to ascertain if improvements can be made in regard to service provision, as a result of ongoing complaints
- Include Complaint Handling information on Council's Webpage for easy access by the community
- Insert Complaint Handling information in Council's Residents newsletter
- Include Complaint Handling information on the Civic centre pin board in the front office including telephone and email address details for lodging of Complaints
- Endeavour to have more staff attend Complaint Handling Training.

Council B

- An electronic system which is integrated in Council's corporate system, making complaints measurable and reportable

Council C

- Further training in:
 - assertiveness behaviours
 - conflict resolution
 - system processes (e.g. Synergy Soft)
 - improved stats and reporting of same across all levels of employees
 - development of a customer service orientation as per ISO 9000

Council D

- Better definition of complaint, some basic training for administration/front counter staff and analysis of complaint activity and effectiveness.

Council E

- Council is currently reviewing its Customer Service Standards Policy with the intent of making it relevant to our business. A Customer Enquiry form and associated Complaints Handling Procedure is being drafted which will be available on Council's website and office locations. An electronic system needs to be developed to provide appropriate tracking of complaints/enquiries by responsible staff and allowing assessment of trends in customer responses.
- Council needs to identify key employees in the complaint handling process with the intent of ensuring appropriate training in best practice, legislative requirements and council policies and procedures.

Council F

- Officer training and a single organisation-wide customer relationship management system to record all types of contact in one location, capable of detailed analysis.

Council G

- Implementation of systems to capture, manage and record
- Development of organisation-wide policy and training
- Improved public access to complaints policy and information on how/rights to complain.

Council H

- An additional staff resource dedicated to complaints management and having access to an appropriate software package would allow Council to keep complaint statistics and enhance its ability to monitor complaints and improve practices. Regrettably, this would probably be considered a luxury investment given the many competing resource needs of the council.

Council I

- Further staff training
- Scheduled review and analysis of complaints
- Easier links on Council's website.

Council J

- While we feel that our complaint handling procedures are effective, to ensure standardisation a formal Complaint handling policy will be presented to Council at next policy review.

Council K

- Complaint handling centralisation for all corporation
- Better awareness of the policy internally
- Better reporting of complaints
- More process improvement follow through from identified issues.

Council L

- Council is currently finalising detailed guidelines, systems and training to support effective complaints handling. The new website and brochures in development will make providing feedback and lodging complaints even more accessible for customers. We will clearly explain our approach and commitment to dealing with all matters in a prompt and efficient fashion
- Technical systems are being enhanced to improve capture, tracking and reporting on the various types of contact and feedback, including complaints. Analysis of complaints will also provide Council with invaluable information to drive improvement.

2. What actions do you believe would help your council improve its Section 270 internal review practices?

Council A

- Prepare reports annually to Council on Section 270 reviews. This has been done in the past as a statement within the annual report, however a separate report will be provided to council in future.

Council B

- Council needs to review its Policy and then undertake a public awareness campaign, advising the community that the process is available.

Council C

- Perhaps address complaints at an earlier stage more proactively
- Appoint an independent reviewing officer earlier into the process.

Council D

- The use of Section 270 applications is extremely limited and it is therefore difficult to ascertain improvement ideas. I think one matter is to make complainants more aware that they have a right under the act if they wish to exercise it. This comes down to making procedures and processes more known.

Council E

- Council feels that its current policy and requirements accommodates our Section 270 requirements. However this will be reviewed against best practice later in the year as part of Council's Good Governance Program.

Council F

- Officer training and, paradoxically, more requests to undertake reviews, lack of experience/practice means the process is laborious and inefficient, unnecessarily time consuming.

Council G

- Amendment of policy to clarify and strengthen roles and rights of parties

Council H

- Our formal processes under a Section 270 initiated review are well managed in our view. This may be challenged if there was to occur a significant increase in such formal reviews.

Council I

- Scheduled review of procedure.

Council J

- N/A

Council K

- Better integration with complaints handling as an entire process

Council L

- Council recognises that the availability of these reviews has not been readily visible for customers nor discussed with them in every instance. Improved accessibility to this information on the website and in brochures, in conjunction with improved training of staff would significantly improve our practices.

3. What actions do you believe would help improve complaint handling across the local government sector in South Australia?

Council A

- More regular training opportunities for staff on complaint handling which is held in regional centres, so staff can attend. It does become very costly for country councils to have staff attending 3-4 hour sessions in the city. At times it is not feasible to have staff travel 7 hours to attend a 3 hour session.

Council B

- Uniformity on what constitutes a complaint and consistency in response times, reporting and investigative processes.

Council C

- Developing a more customer oriented culture across all segments of the organisation not just with customer service staff.

Council D

- Strengthening of complaint processes, especially within the Local Government Act. Presently we have processes for general complaint handling, formal complaint and decision review under Section 270, staff and member complaint processes under codes of conduct and complaint processes for members of the Development Assessment Panel. There should be one integrated system that will make it easier for customers and Councils alike.

Council E

N/A

Council F

- More widely available information about types and volumes of complaint and complainant to allow “benchmarking”, perhaps via the LGA.

Council G

- Training and education
- Model policy and procedure
- Single point of contact of referral to Ombudsman (too many other options springing up).

Council H

- Each council and community have their own uniqueness. One size does not fit all in terms of a procedure. Having said that, the current legislation and best practice examples of complaint management provide the flexibility for councils to tailor a structure that suits their size and circumstances.

Council I

- Standardised procedures and/or guidelines
- Capacity and processes to deal with unreasonable complaint behaviour.

Council J

- We feel that Local Government in general handles complaints to the best of their ability and resources.

Council K

- Consistent approach to complaint handling
- Council information sharing on complaint handling for process improvement purposes.

Council L

- Adoption of a standardised base model for complaints handling policies, procedures and communication would assist with improving an understanding within our communities

-
- In addition to providing consistency and assurance for complainants, regardless of where they live at any point in time, it would assist external agencies / bodies knowing that councils have adopted similar approaches, making review and assisting in resolution more efficient.

4. If you have anything else you would like to tell us about your complaints management system, please provide below.

Council A

N/A

Council B

- Council is currently not recording (or capturing) any informal complaints, which is described as those that start off being a complaint but are resolved immediately, or are in fact a request for service in nature.

Council C

- Believe essentials are in place but undertaking this survey does indicate areas for improvement and enhancement. This has led to the CEO giving the Manager Governance and Organisation Development a goal to undertake at the performance review.

Council D

N/A

Council E

N/A

Council F

N/A

Council G

- Overall systems support and IT budget has been historically low. We are building an improved system foundation to enable a complaint handling module. The LGA could assist with overall advice and procurement.

Council H

- In a small to medium size council many staff have a role of “Jack of all trades”. Additionally, most elected members are very well known in the community and are quite accessible. Volunteers are a critical support to the council organisation. The Council may also have numerous work sites (council administration, works depot, landfill, Visitor Information centre, library, community centre, caravan park, tourism operation, etc). Complaints can be channelled through these multiple sources and are not easily recorded and managed to a central point, particularly in the absence of a dedicated staff resource to oversee the complaint handling and recording systems.
- The structure, capacity and constraints of individual councils’ records management resources and systems will also influence capacity for complaint tracking.
- What constitutes a complaint lacks a concrete and consistent definition.

Council I

N/A

Council J
N/A

Council K

- Our Complaints Handling process and policy are currently being reviewed with a move to centralisation, and a greater emphasis on complaints driving process improvement.

Council L

- The council recognises that prompt and efficient handling of complaints is vital. We are well underway with a comprehensive review and updating of guidelines, documentation, supporting systems and training. These are targeted to be implemented by July 2011.

APPENDIX C

COMMONWEALTH OMBUDSMAN - BETTER PRACTICE GUIDE TO COMPLAINT HANDLING (extract)

Introduction

This *Better Practice Guide to Complaint Handling* describes five elements of effective complaint handling:

- *Culture*. Agencies must value complaints as a means of strengthening their administration and improving their relations with the public.
- *Principles*. An effective complaint handling system must be modelled on the principles of fairness, accessibility, responsiveness, efficiency and integration.
- *People*. Complaint handling staff must be skilled and professional.
- *Process*. The seven stages of complaint handling—acknowledgment, assessment, planning, investigation, response, review, and consideration of systemic issues— should be clearly outlined.
- *Analysis*. Information about complaints should be examined as part of a continuous process of organisational review and improvement.

A strong complaint handling system is built on all five elements. A good system managed by skilled staff will be less effective if an agency's culture is antagonistic towards complainants. A defective system can hamper the work of a committed agency with skilled staff. Staff who lack the skill and commitment to handle complaints properly can undermine a system that is otherwise ideal.

The five elements of effective complaint handling are briefly outlined in this introduction. They are discussed in detail in later sections. The guide concludes with a summary of the main points.

ELEMENT 1—CULTURE

An agency must value complaints and recognise that effective complaint handling will benefit its reputation and administration. Complaints can:

- highlight weaknesses in an agency's programs, policies and service delivery
- stimulate an agency to improve its business.

Good complaint handling will:

- reassure clients that the agency is committed to resolving problems, improving relations and building loyalty
- improve the agency's accountability and transparency.

ELEMENT 2—PRINCIPLES

A complaint handling system must be modelled on principles of fairness, accessibility, responsiveness and efficiency. Complaint handling must also be integrated with the core business of the agency and, where appropriate, with that of other agencies.

ELEMENT 3—PEOPLE

The staff who handle complaints must be skilled in their role and have a positive attitude when dealing with complainants. They should be chosen for that function and be fully trained in the work of the agency and in exemplary complaint handling practices. They should receive effective supervision and regular feedback about their work.

ELEMENT 4—PROCESS

The following seven stages in complaint handling should be described in internal procedures:

- A complaint should be acknowledged promptly.
- The complaint should be assessed and assigned priority.
- If investigation is required, it should be planned.
- The investigation should resolve factual issues and consider options for complaint resolution.
- The response to the complainant should be clear and informative.
- If the complainant is not satisfied with the response, internal review of the decision should be offered and information about external review options should be provided.
- Any systemic issues that arise as a result of the complaint should be considered and acted on.

ELEMENT 5—ANALYSIS

Information about complaints can provide an insight into an agency's programs and services that are not working as well as they might. It can be used to improve client service by:

- highlighting service failings that need to be remedied
- revealing problems and trends that can be acted on by management.

All agencies should set both qualitative and quantitative measures for assessing their complaint handling. There should be regular reporting to the agency executive about the subject matter of complaints, how the complaints have been managed, and the steps taken to resolve systemic problems.

THE AUDIENCE FOR THIS GUIDE

This guide is for executives, managers and complaint handling staff in public sector agencies. Private sector organisations might also find it useful, particularly if they are contracted by government to provide services to the public. The guide is broadly consistent with Australian Standard AS ISO 10002-2006, 'Customer Satisfaction— guidelines for complaints handling in organizations'.

Australian Government agencies that provide services directly to the public are required by the Client Service Charter Principles to develop a service charter that acknowledges a client's right to complain and that contains information about the complaint process. The current revised principles were issued by the Special Minister of State in 2000. Since 2001 responsibility for service charters has rested with the Australian Public Service Commission.

TERMINOLOGY

Agencies refer to members of the public to whom they provide services in various ways, such as 'customers', 'clients' or 'citizens'. This guide uses the term 'clients' or 'complainants' to encompass such terms.

Extract from the ***Better Practice Guide to Complaint Handling*** - Commonwealth Ombudsman, Canberra, Australia. 2009. ISBN 978 0 9805961 7 5.

APPENDIX D

Useful complaint handling resources

Administrative Review Council *Internal Review of Agency Decision Making*
Report no.44 November 2000

Commonwealth Ombudsman *Better Practice Guide to Complaint Handling* April 2009

Commission for Local Administration in England (Local Government Ombudsman) *Guidance on running a complaints system - Guidance on Good Practice* March 2009

Commission for Local Administration in England (Local Government Ombudsman) *Good Administrative Practice - Guidance on Good Practice 2* May 2001

Ergon Energy Queensland Pty Ltd *Resolving customer complaints* 2011 (webpage)

New South Wales Department of Local Government and NSW Ombudsman *Complaints Management in Councils Practice Note No.9* July 2009

New South Wales Ombudsman *Guidelines for Public Sector Agencies and Councils* February 2011 (webpage)

New South Wales Ombudsman *Managing Unreasonable Complainant Conduct Practice Manual* June 2009

New South Wales Ombudsman *The Complaint Handler's Toolkit (2nd Edition)* June 2004

Ombudsman Victoria *Good Practice Guide - complaint handling for Victorian public sector agencies* November 2007

Quebec Ombudsman *A Legitimate, Credible Complaints Office - Complaints processing in governmental organisations* 2001

Queensland Ombudsman *Complaints matter - a review of the complaints management systems of local councils in Queensland* September 2010

Queensland Ombudsman *Effective Complaints Management Self Audit Checklist* 2006

Standards Australia *Australian Standard AS ISO 1002-2006 Customer Standard - Guidelines for complaints handling in organisations* 2006

Tasmanian Audit Office *Complaint Handling in Local Government* Auditor-General Special Report No 76. November 2008.

Western Australian Ombudsman *Effective handling of complaints* (webpage)



OmbudsmanSA