



# Annual report 2005

# Mission & values

## **Our Mission**

**Our mission is to receive, investigate and facilitate the resolution of complaints and disputes between users of public transport services in Victoria and Members of the Public Transport Ombudsman (PTO) scheme, where Members have been unable to resolve the complaint in the first instance.**

## **Our Values**

**Excellence in complaints handling and resolution**

**Independence and impartiality**

**Understanding the needs of our stakeholders**

**Trust, respect and fairness**

**Transparency, accessibility and responsiveness**

# Contents

<b>Chairman's message</b>	<b>4</b>
<b>Ombudsman's overview</b>	<b>6</b>
<b>The PTO scheme</b>	
Structure, Members and Directors	8
<b>Highlights</b>	<b>10</b>
<b>Planning and objectives</b>	<b>11</b>
<b>Our services</b>	<b>12</b>
<b>Working with complainants</b>	<b>13</b>
<b>Working with members</b>	<b>14</b>
<b>Complaint types</b>	<b>15</b>
<b>Summary financial statements</b>	<b>19</b>
<b>Our policies, practices and procedures</b>	<b>23</b>

## Chairman's message



**'The Public Transport Ombudsman (PTO) Scheme made great progress in its first full year of operation. It is well placed to build upon that progress in 2005/06.'**

I am pleased to present this Annual Report for the year ended 30 June 2005.

Mr James Hartnett took office as the PTO scheme's first Ombudsman on 26 July 2004, following his appointment by the Public Transport Industry Ombudsman (Vic) Ltd (PTIOV) Board. James brings significant experience both as a lawyer and administrator to this role. Prior to his appointment, he was Chief Executive Officer of the County Court of Victoria from 1999 to 2004, and was the Director of the South Australian Legal Services Commission between 1991 and 1998.

Before Mr Hartnett's appointment, the PTO scheme was operated by an Acting Ombudsman, Mr Charles Bare, with the support of temporary staff provided by the Department of Infrastructure. I record the PTIOV Board's gratitude to Mr Bare for his assistance in the first few months of the PTO scheme's operation. I also record our appreciation for the assistance and support provided by the Department of Infrastructure during this period.

The Board undertook corporate planning in July and August 2004, from which its values, mission, three year strategic goals and business plan objectives for the 2004/05 year were distilled. In recognition of the public nature of the PTO scheme, one of the key objectives set by the Board was 'Corporate Governance Compliance'. All business plan objectives for 2004/05 were met during that financial year.

Other significant activities undertaken by the Board were:

- Settling the PTO scheme's corporate identity, branding and logo.
- Striking the first annual funding figure and determining the annual levy for 2005/06, and obtaining the PTO scheme Members' agreement for this.
- Amending the PTO's Constitution to facilitate the admission of new Members.
- The admission of Pacific National (Victoria) Ltd as a PTO scheme Member.

It is pleasing to report that the PTIOV Board worked closely with the Ombudsman on numerous projects, tasks and initiatives which underpinned

significant progress made during the PTO scheme's first year of operations. This is highlighted by the Ombudsman and recorded elsewhere in the report.

I express my thanks to all Board members for the valuable contribution they have made to the PTO scheme during its inaugural year. The Public Transport Ombudsman scheme made great progress in its first full year of operation. It is well placed to build upon that progress in 2005/06.

On behalf of the Board I would also like to express my thanks to the following people who gave their assistance and support:

- The Minister for Transport, The Hon Peter Batchelor MLA.
- The Director of Public Transport, Mr Jim Betts.
- The staff of the Department of Infrastructure.
- The PTO scheme Members' CEOs and staff who gave considerable assistance to the PTIOV Board, the Ombudsman and his staff.
- The PTO staff who worked tirelessly to set up the PTO scheme's systems and infrastructure while at the same time servicing a burgeoning case load.



**Merran Kelsall**  
Chairman

# Ombudsman's overview



**The first year of the Public Transport Ombudsman (PTO) scheme has been a ground breaking one in every sense. When I took office in July 2004, the PTO was very much a 'greenfield' site. My immediate priority was to ensure that the scheme was able to provide services in accordance with its charter. This entailed many tasks and challenges, the most pressing of which were:**

- Putting in place policies, practices and procedures which would underpin service delivery.
- Recruitment, induction and training of appropriately skilled staff.
- Acquisition of support infrastructure, including the identification and commissioning of software for recording, tracking and analysing complaint data.

However the immediate challenge was to obtain a practical working knowledge of the operations of the various public transport operators. Given the complex legal, regulatory, commercial and operational environment in which these services are delivered, the task of 'learning the industry' loomed as most formidable. My staff and I received immeasurable assistance from all PTO scheme Members in ensuring we had a level of understanding of their operations that enabled us analyse complaints. Members were very willing to take time to explain the intricacies of the complex operational, safety and infrastructure aspects of their service delivery systems. This made the task of handling complaints much easier, and accelerated the resolution of many complaints.

## **Approach to Complaint Handling**

The PTO scheme charter provides that:

'The PTO scheme is an industry self-regulatory scheme which has the objective of providing a cost-free, efficient, effective, fair, informal and accessible alternative to other remedies for users of public passenger transport services in Victoria, or people affected by transport related activities'.

Every effort has been made to put in place a service delivery system which mirrors the above provision. A strong emphasis on informality and accessibility has been adopted in all of the scheme's complaint handling practices, procedures and systems. For example, people seeking the assistance of the PTO are not required to lodge a case in writing, and most cases are resolved using email or telephone communications.

## Major Tasks and Milestones

### Implementation of the PTIOV business plan objectives

One of the first tasks undertaken by the PTIOV Board was the development of a three year strategic plan, and an annual business plan which set eight objectives. These plans are outlined on page 11 of this annual report. Each objective was implemented during the year. Although much of what we commenced in the PTO's first full year of operation remains work in progress, it has laid a solid foundation for the future.

### Operations

Although the PTO scheme operated from 18 April 2004, only 60 cases were received up to 30 June 2004 (approximately 25 per month). In the scheme's first full year of operation it received a total of 849 cases (about 70 per month). In the first half of the year, the monthly intake was about 63 cases, compared to 78 per month in the second half. However, during the last quarter of 2004/05 the intake increased to approximately 91 cases per month.

We expect that this upward trend will continue in 2005/06 as the PTO becomes better known. Little public promotion of the scheme was undertaken during the first year, as it had neither the resources nor infrastructure to absorb a rapid build-up of cases in the first half year. In the second half, we were still bedding down core infrastructure and systems. However, by June 2005 the scheme was in a position to begin a public awareness campaign. Case numbers are expected to increase as a result of this initiative, which will be progressively rolled out across targeted areas in greater Melbourne and rural Victoria over the next 12 months.

### The PTO Scheme's Performance

In preparation for the PTIOV Board's strategic planning for 2005/06, a survey of PTO scheme users was conducted in June 2005. The purpose was to capture feedback about aspects of the scheme's service which were satisfactory or unsatisfactory, and to identify opportunities for improvement. It is pleasing to note that the response rate to the survey was approximately 30%. While the majority of respondents rated the scheme's service as 'satisfactory' to 'very good' for courtesy (91%), know-how (83%), advice (71%), professionalism (83%) and clarity of communication (83%), only 61% rated overall service as 'satisfactory' to 'very good'. Clearly this latter result raises questions about complainants' expectations and their understanding of the PTO's role and powers. In the year ahead, greater emphasis will be placed on managing complainants' expectations and improving communications to ensure that people are better informed about what the PTO can, and cannot, provide by way of resolution of complaints.

At the same time, McAllister Communications was engaged to interview PTO scheme Members and other major stakeholders, and obtain their views on the scheme's performance in its first year. The results of these interviews were also positive, with stakeholders rating the PTO highly in terms of

its credibility, responsibility, competence, apolitical stance, flexibility and sensitivity. The overall effectiveness rating given to the PTO was 7.5 out of 10, but respondents were quick to point out that the lower rating was due only to the learning phase. Future rankings, based on current service delivery, would score 9 out of 10.

### PTO Scheme Direction in 2005/06

The PTO scheme has already made significant progress, and can now build on solid foundations. The year ahead will focus on: refining and improving policies, procedures, systems and strategies already in place; building stronger stakeholder relationships which provide mutually beneficial outcomes for scheme members and the Victorian public; and providing information and guidance to scheme Members.

Finally, I thank the PTIOV Board and PTO staff for their support, advice and encouragement during 2004/05. Without their contributions the PTO scheme would not have made such noteworthy achievements in its inaugural year.



**James Hartnett**

Public Transport Ombudsman

# The PTO scheme

## Structure, Members and Directors

### Back left to right

Boyd Power  
Bernard Stute (Company Secretary)  
Russell Coffey  
Maree Davidson  
Mark Paterson

### Front left to right

James Hartnett (Ombudsman)  
Merran Kelsall  
Toni McCormack  
Joe Nieuwenhuizen

**The Public Transport Industry Ombudsman (Victoria) Ltd (PTIOV) is a company limited by guarantee, and is the operator of the PTO scheme. Its constitution establishes the PTO, who is vested with authority under the scheme's charter.**

Its seven Members are

- \* Bus Association Victoria (Inc), (BAV), which represents Victoria's private bus operators.
- \* Connex Melbourne Pty Ltd, which operates Melbourne's suburban train network.
- \* Metlink Victoria Pty Ltd, which provides network-wide information services to the metropolitan public transport operators, passengers and the State Government (via the Director of Public Transport) and in a more limited capacity to regional transport operators.
- \* Pacific National (Victoria) Ltd, which operates freight services within Victoria.
- \* Spencer Street Station Authority, which operates the Spencer Street Station and oversees its redevelopment.
- \* V/Line Passenger Pty Ltd, which operates Victoria's country rail network and allied bus services.
- \* Metrolink Victoria Pty Limited, which operates Melbourne's tram network.

**The PTIOV has a seven-member board comprising an independent chairman, three industry directors and three community directors.**

### Chairman

#### Merran Kelsall

An independent company director and consultant, Merran has considerable experience with audit, risk and compliance committees. She has held many appointments on national, corporate and government boards and has extensive experience in fields including health, education, financial, commercial and professional services. Current appointments include Chairman, Auditing and Assurance Standards Board, director of Melbourne Water and trustee of the National Gallery of Victoria.



## Industry Directors

### Boyd Power (Yarra Trams)

Boyd has been Legal and Insurance Counsel for Yarra Trams since October 2001. He was involved in the renegotiation of the new tram franchise which resulted in Yarra Trams operating Melbourne's entire tram network from April 2004. He also chairs the PTIOV Audit Risk and Compliance Committee.

### Mark Paterson (Connex)

Mark is Head of Corporate Affairs for Connex Group Australia and Group General Manager, Corporate Affairs for Connex Melbourne. He was closely involved in negotiations which saw Connex take over operation of Melbourne's entire passenger train network in April 2004.

### Russell Coffey (BAV)

Russell has been actively promoting public transport in Melbourne for more than 20 years. He has worked for V/Line Passenger Services and the Public Transport Corporation, and in 2000 joined the BAV as Marketing Manager. Russell is the key liaison with Metlink in its role to develop a network marketing approach.

## Community Directors

### Joe Nieuwenhuizen

Joe is a Legal Risk Manager with LPLC, the professional indemnity insurer for Victorian lawyers and most national law firms. He was previously a senior litigation lawyer with Corrs Chambers Westgarth. Joe has a strong understanding of dispute handling and the contractual and legislative aspects of the operation and regulation of public transport. Joe also chairs the PTIOV Budget Committee.

### Maree Davidson

Maree has a background in consumer attitudinal programs, behavioural change and service delivery. She has managed both Victoria's Quit Campaign and the SunSmart Campaign. Maree is Director of Davidson Consulting, a planning and social marketing consultancy, and sits on a number of not-for-profit boards.

### Toni McCormack

With a background in education, public relations, local government and management, Toni has served as CEO of the Victorian Water Industry Association and as a director of South West Water. She has been a government-appointed community member on a number of bodies including the Public Transport Customer Consultative Committee.

# Highlights from the year ended **30 June 2005**



**2004**

JULY

Public Transport Ombudsman appointed.

SEPTEMBER

Three year strategic plan and annual business plan finalised.

SEPTEMBER

First permanent staff commenced duty.

NOVEMBER

Complaint handling policies and procedures settled.

NOVEMBER

First annual general meeting of Members held.

DECEMBER

Resolve case tracking and reporting software commissioned.

**2005**

JANUARY

PTO scheme branding and logo adopted.

FEBRUARY

Staff recruitment finalised and full staffing achieved.

APRIL

Pacific National (Victoria) Ltd admitted to scheme membership.

MAY

PTO website ([www.ptovic.com.au](http://www.ptovic.com.au)) goes live.

MAY

Members' annual funding figure struck for 05/06.

JUNE

Communications and awareness campaign commenced.

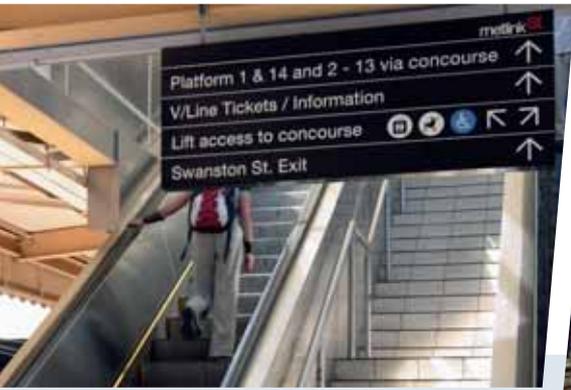
JUNE

Stakeholder survey conducted.

JUNE

849 cases received in the year ended 30 June 2005.

# Planning and objectives



## Planning

At a series of planning sessions in July and August 2004 the PTIOV Board agreed to adopt the following vision and strategic goals for 2004/07, and the business plan objectives for 2004/05 year:

### Vision

To deliver excellent complaint and dispute resolution services to its Members and public transport users.

### Strategic goals

1. To provide complaint and dispute resolution services which are sought, trusted, and recognised as timely, effective, fair, informal and accessible alternatives to other remedies such as court proceedings.
2. To ensure skills, know-how, and efficient service delivery systems are continuously reviewed and improved in consultation with stakeholders.
3. To foster excellent stakeholder relationships which reflect the PTO's values.

## Business plan objectives for 2004/05

The objectives comprise the following projects, plans and activities which the Board agreed to undertake to achieve its strategic goals. All were implemented in 2004/05.

1. Establishment of a complaint and dispute resolution service delivery system.
2. Creation of practices and procedures manuals, guides and training modules.
3. Introduction of a relationship management plan.
4. Implementation of a communications plan.
5. Agreement on key performance indicators.
6. Provision of operational reporting.
7. Corporate governance compliance.
8. Establishment of budget, Member levy, finance, IT and HR plans.

# Our services



In 2004/5, 849 complaints were received from members of the public. Complaints concerned issues including Members' staff behaviour, ticketing, authorised officers (ticket inspectors), fines, tree clearing, property damage, service reliability, noise, car parks, graffiti, mislaid baggage and disability access.

## Every complaint is unique

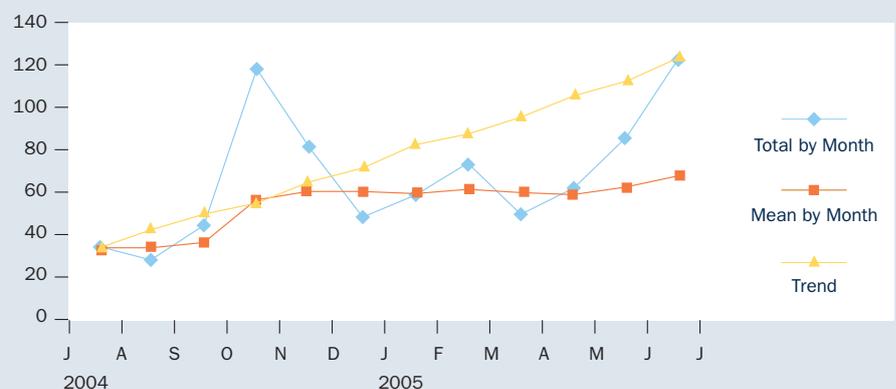
Most complaints relate to a single incident, for example, an unsatisfactory interaction with a Member's employee, a faulty ticket vending machine or ticket, a driver's failure to halt at a specific stop or an uncomfortable journey. All cases are treated individually, as each involves people with different experiences, expectations and requirements.

Complainants may seek recognition of their complaint, compensation, an apology, an explanation or confirmation that the information they have received from the Member is correct. Most simply seek to be acknowledged or informed.

In most cases, the PTO is able to achieve at least part resolution of issues. For example:

- A complainant alleged a driver had deliberately closed the door of a vehicle while she was attempting to board it. The PTO obtained information from the Member which clarified the operation of the doors, and how the driver could control them. Once she understood the driver had not deliberately closed the doors on her, the complainant was satisfied.
- A complainant raised concerns about graffiti on public transport property near his house. He had approached the Member he believed to be responsible for graffiti removal in this location, and had been advised that the Member was not responsible. The PTO confirmed this, and referred the complainant to the correct authority.

Number of complaints handled 2004/05



# Working with complainants



**The PTO sometimes assists a complainant to understand that a Member is not at fault, and the complainant may have made an error or been mistaken. For example:**

- A complainant applied for reimbursement of child care expenses incurred because of delays to the Member's service she normally took home. The PTO established that service had not been delayed, the complainant accepted that she may have been mistaken and the matter was closed.
- A complainant advised the PTO that she had been refused reimbursement on her monthly ticket for four days when she was unable to travel for reasons including ill-health. The PTO provided details of ticketing conditions, which only allow for a refund if a ticket holder is unable to use the monthly ticket for a minimum of five days. Specific circumstances apply, including medical inability to travel and change of address, school or workplace. The PTO obtained usage details for the ticket, which indicated that it had been used on a day the passenger said she was unwell and unable to use the ticket.

# Working with members



During investigations into a complaint, the PTO may identify a weakness in a Member's processes. This may be as simple as the Member not responding promptly to a complaint, or providing a 'form letter' rather than a specific response.

We are able to bring such issues to the attention of the Member and, if requested, assist in developing remedial measures. For example:

- A complainant advised he was assaulted by another passenger, but said the driver did not take steps to stop the assault or eject the other passenger from the vehicle. When the passenger took his complaint to the Member concerned, he received a short form letter thanking him for his feedback. The complainant did not feel that the Member had taken his complaint seriously and approached the PTO. The PTO assisted the Member in developing a more detailed response which recognised the complainant's concerns

and outlined the Member's policies and procedures regarding passenger safety. The response was also used by the Member as a basis for dealing with other complaints.

- A Member approached the PTO regarding a passenger who made regular complaints when a service was cancelled or significantly delayed. The Member had provided an explanation for some cancellations and late services, but the passenger continued to make complaints when his service was affected. The PTO suggested strategies the Member might use, including giving the complainant more detailed information about operational issues affecting his service. The regular complaints stopped once the passenger understood the complexity of the Member's operations, including the many incidents which affect the timely running of a service.

## Non-Member Complaints

Not all complaints fell within the PTO's jurisdiction. In such cases, we either provided the complainant with general information relating to their issue, or referred them to an appropriate authority, eg. the Department of Infrastructure, the State Ombudsman, local council or, occasionally, Victoria Police.

# Complaints and complaint types case studies



## The PTO receives complaints relating to most aspects of Victoria's public transport system:

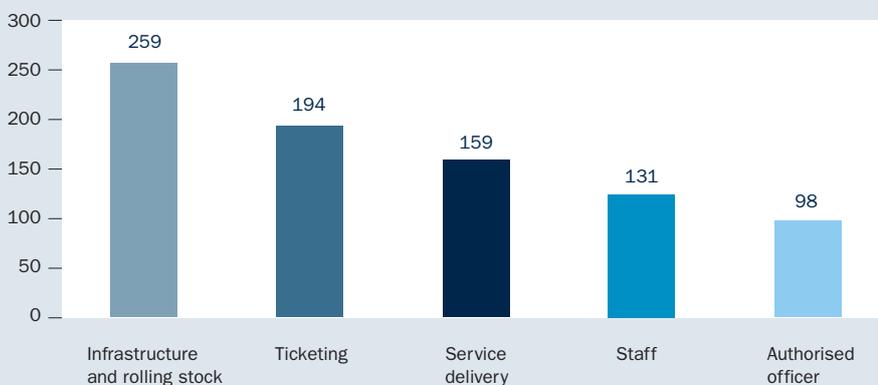
### Supply of services and/or related goods

A high percentage of complaints relate to the provision of services, including reliability, punctuality, cancellation of services, failure to pick up or set down passengers, and notification of service changes. Many of these are systemic issues for which there are no quick fixes, but the PTO is confident that all Members constantly work to improve their services. Other service-related complaints are more readily resolved, especially if the Member is able to provide up-to-date and accurate information to passengers about changes to scheduled services.

- A complainant advised that bus drivers failed to pull into the stop he used. He said he was vision impaired, could not clearly read the numbers of the buses approaching the stop and was therefore unable to hail the correct bus.

A senior manager from the Member met the complainant at his bus stop. He ascertained that the stop was located opposite a railway station, at a point just before drivers made a right-hand turn into the station. The manager noted that drivers were moving into the turning lane early, and missing the stop. He issued a directive that all drivers must pull into the stop, which resolved the complainant's concerns.

Complaint types





## Ticketing

Ticketing issues account for a substantial percentage of complaints. These include ticket vending machines, validators, ticket availability, faulty tickets, replacement of tickets and concessions. The PTO does not investigate complaints about transport infringement notices (fines), which are issued by the Department of Infrastructure. We do investigate complaints relating to allegedly faulty ticket vending machines, validators or tickets which may result in fines being issued.

- A complainant who used a \$20 note to purchase a ticket from a vending machine found that the machine retained her money and failed to provide her with a ticket. She had applied for reimbursement of the lost \$20, but gave the wrong date. Her claim had been rejected, but was accepted after the PTO clarified the actual date.

## Infrastructure and Rolling Stock

Some complaints concern public transport vehicles, buildings, stations or stops. Complaints about vehicles generally relate to the age or condition of the vehicle, comfort, safety, cleanliness, air conditioning or overcrowding. Other complaints concern boom gates and crossings, stairs, escalators, lifts, ramps, tracks, graffiti and lighting.

- A complainant expressed dissatisfaction with the types of vehicle on a route, as he believed they were unsuitable, particularly at peak hours. The PTO ascertained that the decision regarding vehicle use had been made by a government department. The complainant maintained his dissatisfaction, but accepted that the Member was unable to alter its vehicle arrangements. The government department was advised of this complaint, and of others received about vehicles on this route.

## Authorised Officers

The PTO charter does not allow the PTO to accept complaints relating to authorised officers (ticket inspectors) when they are exercising their statutory powers, eg. checking a ticket or issuing a report of offence. The PTO is able to accept complaints relating to officers if they concern activities not related to officers' statutory powers.

- A complainant alleged that he was approached by two officers, one in uniform and one in plain clothes. He asked to see their identification, as none was visible. The uniformed officer showed his identification, but the 'plain clothes' officer did not. The uniformed officer advised the complainant that the other officer was not required to show his ID, as he had not asked to see the complainant's ticket. However, the uniformed officer showed the complainant's ticket to the plain clothes officer and advised the complainant that in future he should just 'do as he was asked'.

The complainant was concerned that this advice did not accord with information on the Department of Infrastructure website regarding



officers' conduct, and sought clarification from the PTO concerning display of ID.

The PTO established with the Member that there had been several trainee officers accompanying experienced officers at the time of the alleged incident. Trainees were not in uniform and did not have identification. The Member advised that trainees now have ID cards which they are to show on request, but that they do not have enforcement powers and do not involve themselves in enforcement activities.

## Staff

The PTO accepts complaints relating to Members' employees, including drivers, station attendants, conductors, tram attendants and contractors. Many complaints have resulted from a misunderstanding or poor communication, and the PTO can facilitate better communication between the Member and the complainant. Other complaints relate to a lack of courtesy, disrespectful manner, failure to provide information, provision of incorrect information, safety and security or dangerous driving.

- A passenger alleged that a driver refused to stop his vehicle to allow emergency services to assist an unconscious passenger. She advised that she had noticed a passenger experiencing difficulty breathing, had contacted emergency services on her mobile phone and was advised to ask the driver to stop so that an ambulance could attend. When she approached the driver, he refused to stop, saying he had a timetable to run to. The Member had dismissed her concerns, advising that the driver's version of events differed from hers.

As the complainant was still communicating with emergency services when her discussion with the driver took place, the PTO was able to obtain a copy of the recorded telephone discussion. This confirmed the complainant's version of events, and the Member took steps to address the driver's breach of passenger safety processes.

## Land use

A complainant may utilise the PTO's services if they are affected by a Member's operations, but are not a user of the public transport system. Complaints have been received regarding car parks, easements, fencing, graffiti, bells, horns, sirens and maintenance works affecting the complainant's property. Many complaints relate to noise from bells and sirens at crossings, and to rubbish and graffiti around public transport land and buildings.

- A number of complaints related to the noise from horns of a Member's vehicles. The volume of complaints, their locality and the complexity of the issue led to extensive PTO investigations over some seven months. Given the commonality of the issues, all complaints were treated as a single complaint. Complainants were advised of the systemic nature of the issue and were updated on the PTO's progress throughout the investigation.



PTO investigations included consideration of noise levels of the vehicle type, comparisons with noise levels of the Member's other vehicles, industry standards, legislation, the PTO charter and industry codes of practice. The franchise agreement between the government and the Member was also considered. Investigations revealed that the Member's operations were exempt from the law of nuisance and Environmental Protection Authority legislation restricting noise emissions. Noise testing indicated that the noise from the vehicles' horns fell within industry standards, and conformed with good industry practice. While a binding decision was not made and complaints were dismissed, the Member voluntarily agreed to modify horns to assist in reducing perceived loudness.

### **Systemic Issues**

Some complaints involve 'systemic issues' which affect the entire transport system or a substantial proportion of the public. These are often matters that the PTO is unable to resolve, at least in the short term. For example, we receive many complaints about service reliability, delays or cancellations. While we cannot rectify the wider problem, we can often find ways to resolve an individual's concerns:

- A passenger who contacted the PTO claimed that the morning service he normally took to work had been delayed frequently over the past months, resulting in his employer issuing him with a formal warning for lateness. The PTO obtained a letter from the Member detailing the dates when this service had been delayed during the past month. This supported the complainant's explanations to his employer, who was then satisfied that his lateness was not of his making.

When we identify complaints about a systemic issue, we try to obtain as much information as possible from sources including the Member concerned, the Director of Public Transport and the Department of Infrastructure. This information may be sufficient to resolve the matter. If not, or if we determine that the matter remains systemic and warrants ongoing monitoring, we reclassify the complaint and maintain regular contact with the Member. We receive updates on works undertaken or other progress to rectify the problem. While the individual case is no longer under investigation, we do provide progress reports from time to time to complainants affected by systemic issues.

# Summary Financial statements

The following is a concise version of the Financial Reports for the Public Transport Ombudsman (Victoria) Ltd. for the year ending 30 June 2005. The financial statements and specific disclosures contained in this concise financial report have been derived from the full financial report and the concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the financial report.

## **Discussion and analysis of the statement of financial performance**

Income Tax – The Australian Taxation Office ('ATO') issued a private tax ruling during 2004/05 financial year that the company is deemed exempt from income tax for the financial years ending 30 June 2004 to 30 June 2007 (including FBT exemption).

Revenue from ordinary activities – Revenue for the period ending 30 June 2005 was \$1.0 million. This was derived from three sources:

- Annual Levies from Members: \$986,132
- Assets received free of charge: \$7,704
- Interest Income: \$15,635

Operating Expenses – Operating Expenses for the period ending 30 June 2005 were \$791,868. The majority of operating expenses were employee benefits (\$489,391), rental expense (\$112,834) and depreciation and amortisation expenses (\$29,158).

## **Discussion and analysis of the statement of financial position**

Total Assets – Total assets increased by \$246,287 during the period due primarily to an increase in cash assets of \$248,010.

Total Liabilities – Total Liabilities increased by \$28,684 during the period due to:

- An increase in accrued expenses of \$3,289.
- An increase in sundry creditors of \$13,573.
- An increase in employee benefit provisions of \$11,822.

## **Discussion and analysis of the statement of cash flows**

Cash Flow – The 2004/2005 financial year was the first year in which cash flows occurred.

Cash Flows from Operating Activities – Cash at the end of the financial year as shown in the statements of cash flows is \$248,010. This was derived from:

- Cash from operating activities \$255,082.
- Cash from investing activities (\$7,072)

Audited Financial Statements and Directors' Report for the Public Transport Ombudsman (Victoria) Limited have, in accordance with legal requirements, been lodged with ASIC.

## Statement of Financial Performance

As at 30 June 2005

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
Revenue from ordinary activities	1,009,471	397,415
Depreciation and amortisation expenses	29,158	16,838
Employee benefits expense	489,391	3,461
Other expenses from ordinary activities	<u>273,319</u>	<u>174,849</u>
<b>Profit from ordinary activities before income tax expense</b>	217,603	202,267
Income tax expense relating to ordinary activities	-	-
<b>Net profit from ordinary activities after income tax expense</b>	<u>217,603</u>	<u>202,267</u>

## Statement of Financial Position

As at 30 June 2005

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
<b>Current assets</b>		
Cash Assets	248,010	-
Receivables	12,035	-
<b>Total current assets</b>	<u>260,045</u>	<u>-</u>
<b>Non-current assets</b>		
Property, plant and equipment	201,270	215,028
<b>Total non-current assets</b>	<u>201,270</u>	<u>215,028</u>
<b>TOTAL ASSETS</b>	<u>461,315</u>	<u>215,028</u>
<b>Current liabilities</b>		
Payables	29,623	12,761
Provisions	11,822	-
<b>TOTAL LIABILITIES</b>	<u>41,445</u>	<u>12,761</u>
<b>Net assets</b>	<u>419,870</u>	<u>202,267</u>
<b>Equity</b>		
Retained profits	419,870	202,267
<b>TOTAL EQUITY</b>	<u>419,870</u>	<u>202,267</u>

## Statement of Cash Flows

As at 30 June 2005

	Notes	2005 \$	2004 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		978,822	-
Payments to suppliers and employees		(739,375)	-
Interest received		15,635	-
<b>Net cash provided by (used in) operating activities</b>	10(b)	<u>255,082</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(7,072)	-
<b>Net cash provided by (used in) investing activities</b>		<u>(7,072)</u>	<u>-</u>
<b>Net Increase/(Decrease) in Cash Held</b>		248,010	-
Cash at Beginning of Year		-	-
<b>Cash at End of Year</b>	10(a)	<u>248,010</u>	<u>-</u>

# Our policies, practices and procedures



## Prerequisites to lodging a complaint

Before lodging a complaint with the PTO, a complainant must first raise the matter with the relevant Member and provide a reasonable opportunity for the Member to resolve the issue. If a Member is unable to resolve a complainant's concerns, or fails to make any response, the complainant is entitled to bring their complaint to the PTO.

## Independence and Impartiality

The PTO scheme is independent and impartial. We do not act as an advocate for either the complainant or the Member. The PTO's role is reinforced to complainants, some of whom may not appreciate that our role is not that of an advocate for either party.

## Informal Processes

We aim to make it as easy as possible for complainants to lodge and pursue a complaint with the PTO. Complainants may lodge a complaint by telephone, fax, email or via the PTO's website using the online complaint form. If a complaint needs to be in writing, we will assist the complainant with this. The informal, impartial and consultative nature of our complaint handling and investigative processes enables us to:

- Assist both parties to understand the other's viewpoint.
- Encourage both parties to act for themselves, without the need for an advocate or representative.
- Involve both parties in the investigation of the matter.
- Allow both parties input into and ownership of the resolution of the matter.

## Conciliation and Binding Decisions

Where a complaint remains unresolved, the PTO will consider if it requires further investigation, or referral to formal conciliation and a resolution

through a binding decision by the Ombudsman. A binding decision may involve an order for the payment of a monetary sum up to \$5000 (\$10,000 by consent), an order to do or cease to do an act, or an order to provide a service.

If the complaint so warrants, the PTO may decide to dismiss the complaint.

## Cost of using the PTO scheme

The PTO scheme is cost-free to complainants, and no legal costs or exemplary damages can be ordered against either a complainant or Member.

## Policies and Procedures for Complaint Handling

Complaint handling policies and procedures were settled and adopted in November 2004. These will be reviewed in consultation with Members early in 2005/06 to ensure they reflect current practice and facilitate informal and speedy complaint processing.

PUBLIC  
TRANSPORT  
OMBUDSMAN  
VICTORIA



Public Transport Industry  
Ombudsman (Victoria) Ltd  
ACN 108 685 552

PO Box 538  
Collins Street West  
Melbourne VIC 8007

Telephone 03 8623 2111  
Facsimile 03 8623 2100

1800 466 865  
TTY 1800 809 623  
[www.ptovic.com.au](http://www.ptovic.com.au)