



Annual Report



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



PUBLIC TRANSPORT
INDUSTRY OMBUDSMAN
(VIC) LTD

Office
8.30am



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Chairman's message

In its second year of operation the Public Transport Ombudsman (PTO) scheme has successfully built upon the foundations laid in 2004/05 – handling an increased level and complexity of complaints; critically assessing its role and key strategies through its ongoing planning processes; improving and streamlining its core operating systems and supporting infrastructure; and monitoring both its operational performance and its relationship with key stakeholders.

I am pleased to present this Annual Report for the year ended 30 June 2006. It records the PTO scheme's second full year of operation.

The Public Transport Industry Ombudsman (Victoria) Limited (PTIOV) Board worked closely with the Ombudsman throughout the year, across a broad range of activities and initiatives, to build upon the progress made in 2004/05:

- A review of the three year strategic goals and business plan objectives for 2004/05 was undertaken and revised business plan objectives were set for the 2005/06 year. The business plan objectives are recorded elsewhere in this report. I am pleased to advise that all objectives were met during the year.
- An independent review of the PTIOV Board's performance found it was working well in all facets of its role.
- Discussions were commenced with key stakeholders regarding the admission of additional members to the PTO scheme.
- Board members, including myself, whose initial two year term as Directors ended in April 2006, were reappointed for a further term of two years. Having regard to the importance of continuity of Board membership while the PTO scheme is still in the early stages of development, these reappointments were welcomed by the Board.
- In addition to the general meetings of PTIOV Members which were held twice during the year, I met with Members' CEOs/Managing Directors at least once during the year to discuss the PTO scheme's performance vis a vis individual Member organisations, their expectations of the scheme and any problems or concerns with the operation of the scheme. These meetings provided another important communication link between the PTIOV Board and scheme Members at the highest level. I also met with the Minister for Transport and the Director of Public Transport on a number of occasions, for the purpose of briefing them on the scheme's operations, trends and other matters of mutual interest.

I express my thanks to all Board members for the significant contribution they have made to the PTO scheme during its second year of operation. In particular I note the significant contribution of all Board members to its various committees.

On behalf of the Board I would also like to express my thanks to the following who gave their assistance and support to the PTO scheme during the 2005/06 year:

- The Minister for Transport, The Hon Peter Batchelor MLA;
- The Director of Public Transport, Mr Jim Betts, and the staff of the Department of Infrastructure;
- The PTO Scheme Members' CEOs and staff, who have again given considerable assistance to the PTO Board, the Ombudsman and his staff;
- The Public Transport Ombudsman, James Hartnett, who has worked tirelessly to embed effective policies and systems into our operations, and just as importantly, build on the close working relationships he has created with the operators. To his staff also, who worked closely with the Board to implement its strategies and objectives, and to improve the PTO systems and infrastructure.



Merran Kelsall
Chairman



Ombudsman's overview

PUBLIC TRANSPORT OMBUDSMAN'S REPORT

There was an increase of almost 50% in the number of complaints lodged with the Public Transport Ombudsman (PTO) scheme in the year ended 30 June 2006 (2005/06). A total of 1255 complaints were received; an increase of 406 above the total of 849 complaints received in the year ended 30 June 2005. Although there was no single driver of this increase, heightened public awareness of the PTO's role and services was certainly a contributing factor.

Be that as it may, it is likely that complaint levels would have been higher, but for a significant improvement in complaint handling and gradual improvement in general service delivery on the part of all PTO scheme Members. This latter trend is evidenced by a fall of over 20% in the number of first instance complaints received by Members in the June quarter of 2005/06, and a corresponding decrease in the number of complaints lodged with the PTO in the same period. PTO scheme Members are to be congratulated on their efforts to improve complaint handling.

Continuation of PTO's Approach to Complaint Handling

The PTO 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 ...' The pursuit of this objective is reflected in the PTO's strong emphasis on efficiency, effectiveness, informality and accessibility. Over 80% of respondents to the PTO's annual survey of PTO scheme users (Complainants) stated that the PTO was easy to contact. Most cases are resolved quickly using telephone and email communications, there being no requirement to lodge written complaints with the PTO. Of the 1255 complaints in 2005/06 over 76% (955) were resolved within 14 days, almost 9% (113) were resolved within 31 days, and 14% (178) took longer than 31 days to resolve. This outcome was achieved through a combination of the PTO's expeditious approach to complaint handling, and the enhanced responsiveness of Members' complaint handling. In this latter regard PTO scheme Members who participated in the PTO's annual Stakeholder Review conducted by independent consultants, McAllister Communications, acknowledged 'the valuable role played by the PTO in improving the standard of service provided by the operators'. It is also noteworthy that, as a result of the levels of cooperation with Members, it was not necessary for me to make any Binding Decisions during 2005/06.

Planning and Continuous Improvement

The Business Plan Objectives fixed by the Board for 2005/06 are set out at page 10 of this Annual Report. PTO staff were actively involved in the planning process for 2005/06 presenting a range of information, data and recommendations to the Board at its planning day. All Objectives were achieved during the year ended 30 June 2006.

In last year's Annual Report I noted that '... the year ahead will focus on: refining and improving policies, procedures, systems, and strategies already in place'. Objective One of the PTO's business plan placed particular emphasis on policy review and process improvement. Accordingly the PTO's internal Complaint and Dispute Resolution Service Guidelines were reviewed, and rewritten during 2005/06, and now include a new case closure review process which captures definitive information about Complainants'

James Hartnett
Public Transport Ombudsman



Ombudsman's overview

dissatisfaction with a Member's complaint handling, and how it might be improved. As a result, all PTO closed cases are now reviewed in conjunction with Members on a monthly basis, and critical feedback is provided to Members, to assist them in enhancing their complaint handling, and making service delivery improvements.

Case work and Operations

As the case studies in this Annual Report demonstrate, the breadth, extent and unique nature of complaints received by the PTO make it difficult to identify particular complaint trends, other than at the highest levels of aggregation. However, the following high level changes in the pattern of complaints were observed during 2005/06 compared to the 2004/05 year:

- Complaints about Ticketing replaced Infrastructure and Rolling Stock as the highest complaint category in the 2005/06 year. Ticketing complaints more than doubled, from 194 to 481 complaints, ie. from 23% to 38% of total complaints. This increase was due in part to inherent shortcomings in the ticketing system itself, and to campaigns to lower fare evasion, which resulted in increased prosecutions of fare evaders;
- While Infrastructure and Rolling Stock complaints increased in number, from 259 to 368, they remained static in percentage terms at approximately 30% of total complaints;
- Service delivery complaints also increased in number, from 159 to 261, but remained static at approximately 20% of total complaints. This outcome is partially due to improved service delivery and reliability, and better communications on the part of Members;
- Complaints about Authorised Officers (ticket inspectors) increased from 98 in 2004/05 to 164 in 2005/06, but remained static in percentage terms at approximately 12% of total complaints;
- Complaints against Members' staff fell from 131 in 2004/05 to 117 in 2005/06, a drop in percentage terms from 15% of total complaints to 9%.

The PTO's Performance: Complainant and Stakeholder Surveys

A survey of the PTO Complainants was again conducted for the year 2005/06, using the same format and questions as the previous year to enable year to year comparisons of data. The survey's purpose is to capture feedback about those aspects of the PTO's service that were satisfactory or unsatisfactory, and to identify opportunities for improvement. The survey was sent out to 771 scheme users, and 167 responses were received – a response rate of 22%. Although the number of surveys sent out and the response rate differed from the previous year, the levels of satisfaction remained almost static in all service categories, save for 'Overall Satisfaction' with the service provided, which increased from 61% in 2004/05 to 68% in 2005/06. Results from the survey are set out on the following page.

As previously noted, McAllister Communications was engaged to interview Members and other key stakeholders, and to obtain their views on the PTO scheme's performance in its second year. The results of these interviews were positive, and stakeholders highlighted the progress the scheme had made in its second year. More particularly, the stakeholders supported the PTO's direction, noting:

- The PTO's role as an impartial and professional 'umpire';
- The ongoing preparedness of PTO staff to improve their understanding of the public transport industry;
- The dedication of the PTO staff to serving both the public transport users and operators;
- The role played by the PTO in improving the standard of customer service provided by operators across the sector.

Complainant Service Rating

Satisfactory to Very Good

| | 2004/05 year | 2005/06 year |
|-----------------------------|--------------|--------------|
| • Courtesy | 91% | 93% |
| • Staff Knowledge | 83% | 84% |
| • Quality of Advice | 71% | 73% |
| • Professionalism | 83% | 84% |
| • Clarity of Communications | 83% | 84% |
| • Overall Satisfaction | 61% | 68% |

Scheme Direction in 2006/07

The PTO Scheme has made significant progress in its first two years of operation. In the year ahead the PTO will continue to focus on improving all aspects of its service delivery. However, the challenges for the year ahead will be different from those of the past two years:

- A new ticketing system will be introduced during 2006/07. While the new system will address the various shortcomings evident in the present system, it is likely that unfamiliarity with it may give rise to misunderstandings, which translate into higher complaint levels. The PTO will work closely with Members and the Transport Ticketing Authority (TTA) to ensure that ticketing issues are quickly identified, and addressed. It is pleasing to note that the TTA is already working closely with the PTO, and will, in due course, become a member of the PTO scheme;
- It is already evident that increased patronage is putting greater pressure on public transport. Increased patronage and associated problems (eg. overcrowding, and late running) may also translate into higher numbers of complaints.

Acknowledgements

I would like to thank the following for their assistance and support during 2005/06:

- Public transport users;
- The PTO Scheme Members and their staff;
- The PTO staff, who have worked very hard throughout 2005/06 to refine and improve the PTO scheme, and its services to public transport users and PTO Members;
- The Chairman and Directors of PTIOV; and
- The Minister for Transport, the Director of Public Transport and the staff of the Department of Infrastructure.



James Hartnett
Public Transport Ombudsman

The PTO scheme

Structure, Members and Directors

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 and 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;
- Southern Cross Station Authority which operates the Southern Cross Station and oversees its redevelopment;
- V/Line Passenger Services which operates Victoria's country rail network and a range of allied bus services;
- Metrolink Victoria Pty Ltd, which operates Melbourne's tram network.



Back left to right

Boyd Power
Russell Coffey
Bernard Stute (Company
Secretary)
Toni McCormack
James Hartnett
(Ombudsman)

Front left to right

Maree Davidson
Merran Kelsall (Chair)
Joe Nieuwenhuizen
(Absent Mark Paterson)

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

Chairman

Merran Kelsall

Independent company director and consultant, Merran Kelsall, has considerable experience in the work of audit, risk and compliance committees. Merran has a long history of appointments on national, corporate and government boards and has extensive industry experience in the areas of health, education, financial, commercial and professional services. Current board appointments include Chairman, Auditing and Assurance Standards Board, as well as Director, Melbourne Water and Trustee, 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 is responsible for administering Yarra Trams' Under Deductible Insurance Program and providing legal advice with respect to the vast regulatory framework within which Yarra Trams operates. He was involved in the renegotiation of the new Tram Franchise which has seen Yarra Trams operating Melbourne's entire tram network since April 2004.

Mark Paterson (Connex)

Mark is Head of Corporate Affairs for Veolia Transport Australia Pty Ltd and Group General Manager, Corporate Affairs for Connex Melbourne. Mark is thus responsible for marketing, communications, government relations, customer feedback, media engagement and sponsorship for Veolia Transport in Australasia. Mark joined Connex as a Senior Advisor in 2001 and was intimately involved in the renegotiation of Connex's Melbourne contract which resulted in Connex taking over the operation of the entire Melbourne passenger train network in April 2004.

Russell Coffey (BAV)

Russell has been actively promoting public transport in Melbourne for over 20 years. Over this period, Russell has worked for both V/Line Passenger Services and the Public Transport Corporation in promoting metropolitan trains, trams and buses. In 2000, Russell joined the Bus Association Victoria (Inc.) as Marketing Manager to promote the bus industry and to be the key liaison with Metlink in its role to develop a network marketing approach.

Community Directors

Joe Nieuwenhuizen

Joe is a lawyer with the Professional Standards Department of the Law Institute of Victoria and has extensive experience in complaint handling and dispute resolution. He was previously a Legal Risk Manager with the professional indemnity insurer for Victorian lawyers and prior to that a senior litigation lawyer with a major national law firm focusing on dispute resolution in commercial and negligence cases. Before entering legal practice, Joe worked for nearly 10 years at senior levels in the State Government mainly in the Ministries of Consumer Affairs and Public Transport.

Maree Davidson

Maree has a strong background in consumer attitudinal programs, behavioural change and service delivery, including managing Victoria's Quit Campaign and the SunSmart campaign. Maree is Director of Davidson Consulting, a planning and social marketing consultancy, and presently sits on a number of not-for-profit boards including Women's Health Victoria, Melbourne Writers Festival Board (Deputy Chair), The Sir Douglas Nicholls Fellowship for Indigenous Leadership, The Long Walk, and the Centre for Multicultural Youth Issues.

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. Toni has been a government-appointed community member on a number of advisory bodies, including the Public Transport Customer Consultative Committee, and has recently been appointed to the Great Ocean Road Coast Committee. She is also a Fellow of the Australian Institute of Company Directors and a Member of the Institute of Arbitrators and Mediators.

Planning and objectives

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 2005/06

1. To entrench excellence in the PTO's Complaint and Dispute Resolution Service (CDRS).
2. To enhance Stakeholder Relationship Management.

3. To evaluate the efficacy of, and refine the PTO's Communications/Awareness Initiative.

4. To review the PTO Scheme's Jurisdiction and identify any changes required.

5. To enhance and refine Operational Reporting Statistics and Analysis.

6. To ensure that all Corporate Governance standards and obligations are met.

7. To establish and implement a Staff Performance Management and Training Plan.



Our services

In the 2005/06 year 1255 complaints were received from members of the public, an increase of 406 from the previous year.

'Every complaint is unique ... the PTO does not act as an advocate for either party'

The case studies in this Annual Report should not be regarded as precedents that will necessarily be followed in similar cases, as every complaint is 'unique'. Even where complaints bear strong factual similarities, individual Complainants often have different perceptions and expectations. Likewise Members often have a different view as to how a complaint should be resolved.

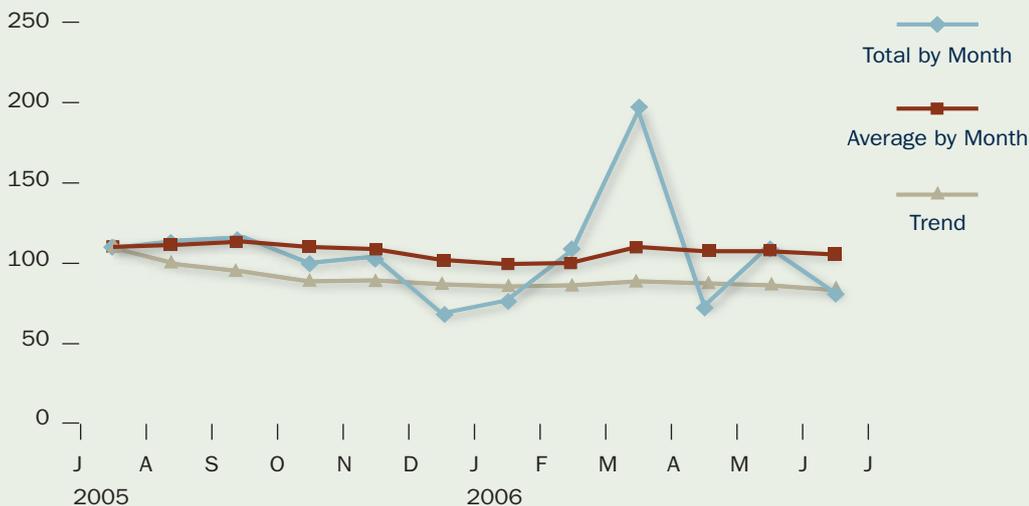
Clause 1.5 of the PTO Charter provides that 'It is the aim of the PTO scheme to provide independent and prompt resolution of complaints and disputes having regard to what is fair and reasonable for the Member and the Complainant, good industry practice and the law.' The PTO does not act as an advocate for either party.

Clause 3.5 of the PTO Charter provides that '... the focus of the PTO scheme is on individual complaints ... Individual in this sense means a single event or a single public transport user or

person affected or a single situation.' Having regard to the factual context of each complaint, and the breadth and diversity of the PTO's jurisdiction, it follows that rarely are any two complaints exactly the same. The following case studies are illustrative of the unique nature and diversity of complaints:

- A mobility impaired Complainant, who uses an electric scooter, was left on board a vehicle at its terminal stop on a number of occasions. The Complainant contacted the PTO because he had not had a satisfactory response from the

Total Cases by Month for the Period July 2005 to June 2006



Member, and another incident had occurred. A meeting was immediately arranged between the PTO, the Complainant and the Member. As a result, a number of procedures were agreed upon, and put in place by the Member, to ensure that the Complainant's disembarkation was not overlooked in future. In addition, the Member revised its policies and procedures in relation to special needs passengers generally. The Member also put in place arrangements to assist the Complainant if, in the future, he missed a time critical connecting

service, due to the late arrival of the Member's service;

- A Member's contractor used a residential street to construct replacement track segments, before dragging the track some distance for installation. This activity made it difficult for residents in the street to gain access to both the street and their homes. The Complainant, a resident affected by the works, complained to the PTO. The PTO established that the contractor had the appropriate council approval for the works. After discussion with both the council and Member,

the council requested that the contractor not carry out any further works in that particular street, and that in future the contractor give better notice of proposed works to residents.

As these case studies illustrate, the PTO works constructively with both Members and Complainants to resolve complaints and disputes.



Working with Complainants

Often the resolution of a complaint may involve clarifying facts, or the law, to demonstrate to a Complainant that a Member was not at fault or, in other instances, to verify that a Complainant's version of events is correct.

For example:

- A Complainant attempted to board a vehicle, but fell backwards onto the platform, partially slipping between the carriage and the edge of the platform, thereby sustaining minor abrasions. The Member advised the Complainant that it was not at fault. The Complainant contacted the PTO because she believed that the Member had not taken her concerns seriously, particularly in relation to passenger safety. As the Complainant could not remember the details of the incident, the PTO obtained and viewed

the Member's relevant CCTV footage. As a result, the PTO was able to advise the Complainant that the Member was not at fault, and to confirm that the gap between the platform and the vehicle met the required standards;

- A Complainant, who had a valid ticket and concession card, was approached by Authorised Officers, who asked to inspect his ticket. He was also asked to produce photo identification to verify his identity. The Complainant believed that the Authorised Officers requested photo identification because

he has an androgynous name. He contacted the PTO to ascertain whether or not there is a requirement for passengers to carry photo identification. The Member advised that passengers are not required to carry photo identification. However, Authorised Officers have the power under the Transport Act 1983, and the Code of Conduct for Public Transport Authorised Officers, to request evidence to verify the name and address provided by a passenger. In this particular instance, the Complainant had been

asked to produce photo identification not because of his name, but because he had produced an unsigned Health Care Card.



Working with Members

As the following examples illustrate, the PTO works with Members to resolve complaints, and, on occasion, to improve complaint handling procedures, such as when unusual circumstances give rise to grievances:

- A Complainant contacted the PTO in relation to a loud noise emanating from the road on which she lived. A loose signal pit cover produced this noise when it was struck by car wheels. The pit cover had been repaired previously by the Member, but the problem returned soon after. The PTO established that the pit cover was the responsibility of another Member, who, after a discussion with the PTO, immediately carried out interim repairs. A permanent solution to the noise problem was found and appropriate steps were taken to solve the problem;
- The PTO received a complaint about the lack of signage to inform passengers that, on one particular evening, services would be operating on a holiday timetable. Furthermore, no announcement was made regarding the reduced level of service. The Complainant observed that there were numerous services running in the opposite direction, and asked why some of these had not been redirected. The Member informed the PTO that unexpected reduced staffing levels had caused major service disruptions that evening, and the short timeframe involved meant that it had not been possible to advise passengers of the reduced holiday service. The Member explained that it was not possible to redirect other services, due to the complexity of the system. However, the Member acknowledged that information provision on the day in question was below standard. The PTO recommended that holiday timetables be provided during holiday periods, and the Member agreed to do so.



Case studies by jurisdiction

Clause 3 of the PTO's Charter sets out its jurisdiction. The following case studies provide examples of complaints under each of the PTO's eight heads of jurisdiction:

'(a) complaints as to the provision or supply of (or the failure to provide or supply) public transport services or any related goods or services by or for a Member in respect of the provision or supply of (or the failure to provide or supply) public passenger services'

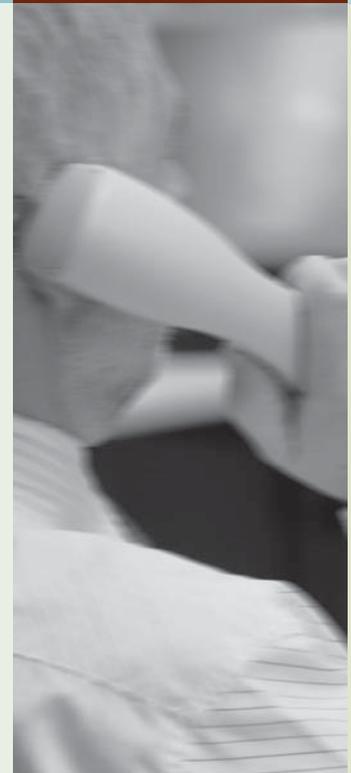
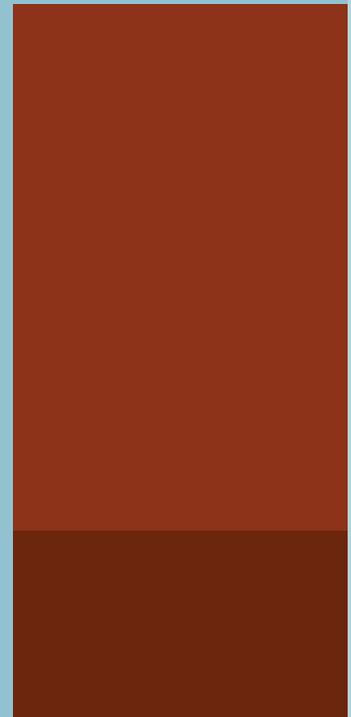
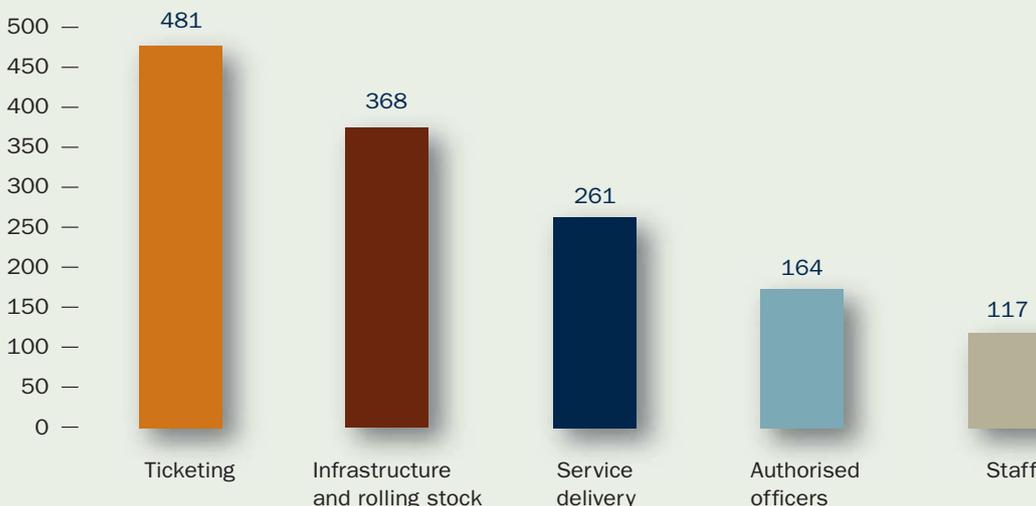
**Case Study:
Failure to supply related services.**

A Complainant contacted the PTO regarding the accuracy of transport maps, in particular, he

was concerned that transport services labelled as 'connecting' on the maps were not sufficiently close to each other to be considered as such. In addition, at one particular connecting point, there were no signs to notify commuters of the location of available connecting services. The Member informed the PTO that the maps were designed in accordance with a master style guide, which defined 'connectivity' as within a 500 metre radius. The Member also advised that it believed there were adequate signs to indicate the location of

the connecting services at the connecting point in question. The Member forwarded a copy of the signs to the PTO, and information regarding their locations. As the Complainant had reported that there were no signs, the PTO conducted a site visit, and found that there were two connecting services, one within 200 metres of the connecting point, and the other within 400 metres, both of which accorded with the above definition of 'connectivity'. However, there were no signs indicating the location of the connecting services. Upon being

Top Five Issues



notified of this, the Member contacted the contractor engaged to manufacture and install the signage, and discovered that the signs had been manufactured, but had not been installed at the connecting point. The signs were subsequently installed.

'(b) complaints in relation to the sale of tickets including ticketing machines, ticket retailers and ticket refunds'

**Case Study:
Ticket refund**

A Complainant applied to a Member for a refund of an 'unused' ticket, due to the cancellation of the scheduled service after the ticket had been validated. No replacement service had been offered, hence the ticket remained 'unused'. The Member refused the Complainant's request for a refund. The Member informed the PTO that the service had been cancelled due to an 'Act

of God', in this instance, a storm, which was beyond the Member's control. Under its Compensation Code, the Member is not obligated to refund the cost of a Complainant's ticket in such circumstances. The PTO advised the Complainant that, in situations such as that described above, the Member is exempt from any obligation to refund the cost of the ticket.

'(c) complaints relating to infrastructure and rolling stock related matters'

**Case Study:
Music broadcasts on vehicles**

A complaint was received concerning music played by a Member on its vehicles. The music disturbed the Complainant, who believed that other passengers were also unhappy with the situation. The Complainant contended that, if

passengers wanted to listen to music, they could do so using individual audioplayers. Although the Member saw the provision of music as a service to its passengers, it appreciated the Complainant's position. The Member subsequently issued an operational directive to its drivers that, if requested to do so by any passenger, the driver should turn the music down or off while that passenger was on the vehicle.

'(d) complaints regarding the conduct of Authorised Officers except those complaints falling within the jurisdiction of the Victorian Ombudsman in relation to Authorised Officers exercising their statutory powers'

Under its Memorandum of Understanding with the Victorian Ombudsman, the PTO does not investigate the conduct of Authorised



Officers. However, it often investigates related issues, such as the malfunction of ticketing machines, or the purchase or validation of tickets in cases where Authorised Officers report public transport users for alleged fare evasion.

**Case Study:
Faulty Ticket Validation**

A Complainant who maintained that he had validated his ticket was reported by Authorised Officers for not doing so. Upon investigation, the PTO established that it was most likely that the Complainant had, in fact, validated his ticket. The Member reviewed the case, and found that the wrong ticket number had initially been traced by the Member, and that the Complainant had indeed validated his ticket. As a result, the impending Infringement Notice against the Complainant was withdrawn, and the Complainant was issued with a replacement ticket.

‘(e) complaints in relation to Victorian Public Statutory Bodies providing public transport or related activities’

**Example:
Southern Cross Station Authority**

The PTO accepts complaints in relation to the above authority, which is a Member of the PTO Scheme. In 2006/07, it is envisaged that additional Public Statutory Authorities will join the PTO scheme.

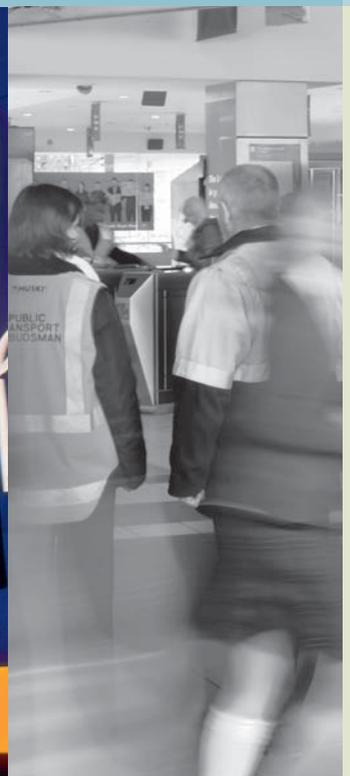
‘(f) complaints regarding the conduct or behaviour of officers, employees, agents or contractors of Members’

**Case Study:
Driver’s failure to communicate with, and inform passengers of, the cancellation of a service, and the reasons for its cancellation**

A Complainant was travelling on a vehicle that

was unable to complete its journey for safety reasons: severe flooding had forced the vehicle to return to its point of departure.

The Complainant contacted the Member because she was unhappy with the manner in which the driver dealt with his passengers’ concerns. The driver had not made any announcements to the passengers in relation to the incident, and had ignored passengers’ attempts to discuss the situation with him. Furthermore, when the Complainant subsequently raised the incident with the Member’s staff, they had been rude and dismissive. After discussions with the Member, the PTO arranged for a written apology to be sent to the Complainant from the Member, together with ex gratia compensation.



'(g) complaints in relation to a Member's use of, or the effect of a Member's conduct, operations or activities on or in relation to, land or premises'

**Case Study:
Noisy vehicles parked outside a house.**

A Complainant and her family were awoken early by two vehicles with their engines running, parked outside their home. The Complainant asked the drivers to move the vehicles, which they did. However, they moved only a short distance, to the other side of the street, and kept their engines running until they departed some twenty minutes later. The Complainant contacted the PTO because the vehicles were parked in a no standing zone, and, she believed, that the noise from their engines constituted a nuisance.

The Member informed the PTO that the vehicles were picking up passengers outside a church, and, in accordance with normal practice, had arrived early for the pickup. As it was a hot day, the drivers kept the vehicles' engines and air-conditioning running, so that the vehicles would be cool for the passengers. However, the Member appreciated the Complainant's position, and agreed to provide a written explanation and apology. The Member also cautioned its drivers to be mindful of creating unacceptable levels of noise when operating in residential areas.

'(h) 'such other complaints as may, by agreement between the PTO, the Complainant and the Member be referred to the PTO by the Member'

A referral under this head of jurisdiction was made by one Member during 2005/06 in respect of a complex multi-party dispute.

Systemic Issues

Clause 3.7 of the PTO's Charter confers jurisdiction on the PTO to receive and record complaints relating to systemic issues of a Member.

Although a number of systemic issues have arisen during the year, the majority were already well known to Members. In some instances, for example, shortcomings in the present ticketing system, a solution has been identified. In other instances, the causes of



a systemic issue are well known, but no solution is readily available.

**Case Study:
Vehicle noise**

A number of complaints were received about the noise emanating from a Member's vehicles at various problem locations involving sharp corners. Upon receipt of the complaints, the PTO took into consideration that the Member's operations were exempt from the law of nuisance, and environment protection legislation. Given this, and that the Member was already conducting ongoing investigations in an effort to determine the most appropriate measure to reduce the noise, the PTO assumed the role of monitoring the Member's investigations. The Member implemented various short term measures to reduce the noise emanating from the vehicles at all problem locations. A long term solution involving rubber

booting of the track to absorb the noise served to effectively reduce the noise level at one location. This measure is now being considered for similar locations.

Non-Member Complaints

Usually Non Member complaints will be referred to an appropriate authority, or the Complainant will be provided with general information relating to their complaint. However, sometimes, in the course of investigating complaints, the PTO is able to facilitate the resolution of issues pertaining to Non Members:

**Case Study:
Passenger Shelter**

The PTO received a complaint regarding the design of a passenger shelter that did not provide adequate protection from the rain.

Furthermore, due to the advertisements posted on it, the shelter obscured the Complainant's view of approaching vehicles. As the passenger shelter was the responsibility of the local council, which is not a Member of the PTO scheme, the PTO did not have jurisdiction to require remedial action. Nevertheless, the PTO contacted the council, and was informed that engineering considerations required a ventilation gap in the passenger shelter, to prevent it from blowing over in strong winds. The council also advised that the 'advertising' related to a council streetscape project, and that they were considering its removal. The PTO forwarded this information to the Complainant. A few weeks later, the Complainant contacted the PTO to say that the advertising had been removed.



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 2006. 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 2006 was \$1.025 million. This was derived from three sources:

- Annual Levies from Members: \$1,000,000;
- Grants received: \$9,000;
- Interest Income: \$16,266.

Operating Expenses – Operating Expenses for the period ending 30 June 2006 were \$944,640. The majority of operating expenses were employee benefits (\$636,099), rental expense (\$113,274) and depreciation and amortisation expenses (\$31,536).

Discussion and analysis of the statement of financial position

Total Assets – Total assets increased by \$89,577 during the period due primarily to an increase in cash assets of \$79,300.

Total Liabilities – Total Liabilities increased by \$8,951 during the period due to:

- A decrease in accrued expenses of \$2,703;
- A decrease in sundry creditors of \$259;
- An increase in employee benefit provisions of \$11,914.

Discussion and analysis of the statement of cash flows

Cash Flow – The 2005/2006 financial year was the second 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 \$327,310. This was derived from:

- Cash inflow from operating activities \$124,227;
- Cash outflow from investing activities (\$44,927).

Income Statement

For the year ended 30 June 2006

| | Notes | 2006 | 2005 |
|--|-------|-----------|-----------|
| | | \$ | \$ |
| Revenue from continuing operations | 2 | 1,025,266 | 1,009,471 |
| Depreciation and amortisation expenses | | 31,536 | 29,158 |
| Employee benefits expense | | 636,099 | 489,391 |
| Other expenses from ordinary activities | 3 | 277,005 | 273,319 |
| Profit before income tax expense | | 80,626 | 217,603 |
| Income tax expense relating to ordinary activities | 1(a) | - | - |
| Net Profit Attributable to Members | | 80,626 | 217,603 |

Balance Sheet

As at 30 June 2006

| | Notes | 2006 | 2005 |
|---------------------------------|-------|---------|---------|
| | | \$ | \$ |
| Current Assets | | | |
| Cash Assets | | 327,310 | 248,010 |
| Receivables | 4 | 14,051 | 12,035 |
| Total Current Assets | | 341,361 | 260,045 |
| Non-current Assets | | | |
| Property, plant and equipment | 5 | 209,531 | 201,270 |
| Total Non-current Assets | | 209,531 | 201,270 |
| TOTAL ASSETS | | 550,892 | 461,315 |
| Current Liabilities | | | |
| Payables | 6 | 26,661 | 29,623 |
| Provisions | 7 | 23,736 | 11,822 |
| TOTAL LIABILITIES | | 50,396 | 41,445 |
| Net Assets | | 500,496 | 419,870 |
| Equity | | | |
| Retained profits | 8 | 500,496 | 419,870 |
| TOTAL EQUITY | | 500,496 | 419,870 |

Statement of Changes in Equity

For the year ended 30 June 2006

| | 2006 | 2005 |
|---|----------------|----------------|
| | \$ | \$ |
| Total equity at the beginning of the financial year | 419,870 | 202,267 |
| Profit for the Year | 80,626 | 217,603 |
| Total Equity at the end of the financial year attributable to members | <u>500,496</u> | <u>419,870</u> |

Cash Flow Statement

For the year ended 30 June 2006

| | Notes | 2006 | 2005 |
|--|--------------|-----------------|----------------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 1,006,984 | 978,822 |
| Payments to suppliers and employees | | (899,023) | (739,375) |
| Interest received | | 16,266 | 15,635 |
| Net cash provided by (used in) operating activities | 10(b) | <u>124,227</u> | <u>255,082</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for plant and equipment | | (44,927) | (7,072) |
| Net cash provided by (used in) investing activities | | <u>(44,927)</u> | <u>(7,072)</u> |
| Net Increase/(Decrease) in Cash Held | | 79,300 | 248,010 |
| Cash at Beginning of Financial Year | | 248,010 | - |
| Cash at End of Financial Year | 10(a) | <u>327,310</u> | <u>248,010</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 complaint. If a Member is unable to resolve a complainant's concerns, or fails to make any response, the complainant is then 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 a formal conciliation and a resolution through 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

The PTO's Complaint and Dispute Resolution Service Guidelines were revised during 2005/06 in consultation with Members.



Public Transport Ombudsman Victoria **Annual Report** 2006



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