



PSC | Public Sector
Commission

Annual report | 2017/18

Bringing leadership and expertise to the WA public sector



© State of Western Australia 2018

There is no objection to this publication being copied in whole or part, provided there is due acknowledgement of any material quoted or reproduced.

Published by the Public Sector Commission,
September 2018.

ISSN 2204-8472

This publication is on the Public Sector Commission website at www.publicsector.wa.gov.au.

Enquiries

Public Sector Commission
Dumas House, 2 Havelock Street
WEST PERTH WA 6005

Locked Bag 3002, WEST PERTH WA 6872

Telephone: (08) 6552 8500

Fax: (08) 6552 8501

Email: admin@psc.wa.gov.au

Website: www.publicsector.wa.gov.au

Disclaimer

The Western Australian Government is committed to quality service to its customers and makes every attempt to ensure accuracy, currency and reliability of the information contained in this publication. However, changes in circumstances over time may impact on the veracity of this information.

Accessibility

Copies of this publication are available in alternative formats on request.

Statement of compliance

**Hon Mark McGowan MLA
PREMIER**

In accordance with Section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to the Parliament of Western Australia the annual report for the Public Sector Commission for the reporting period ended 30 June 2018.

The report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Sharyn O'Neill
PUBLIC SECTOR COMMISSIONER
(ACCOUNTABLE AUTHORITY)

20 September 2018

Contents

Commissioner's foreword	4
Performance highlights	5
Commission in focus	7
Commission profile	9
Who we are	10
Our organisational structure	11
Our Corporate Executive	12
Our workforce profile 2017/18	14
Performance management framework	16
Significant issues impacting the Commission	18
Progressing the Government's public sector reform agenda	19
Review of the Public Sector Commission	19
Our performance	21
Performance summary	22
Actual results versus budget targets	22
Summary of key performance indicators	23
Report on operations	24
Service 1: Public sector leadership	24
Service 2: Assistance and support	32
Service 3: Oversight and reporting	40
Our focus features	
Measures to achieve equality	27
Safe spaces	31
Budget repair measures	33
Commissioner's Instructions	47

Disclosures and legal compliance	50
Financial statements	51
Certification of financial statements	51
Statement of comprehensive income	57
Statement of financial position	57
Statement of changes in equity	58
Statement of cash flows	58
Summary of consolidated account appropriations and income estimates	59
Schedule of income and expenses by service	60
Schedule of assets and liabilities by service	61
Notes to the financial statements	63
Key performance indicators	90
Certification of the key performance indicators	90
Key effectiveness indicators	91
Key efficiency indicators	93
Other legal and policy requirements	95
Disability access and inclusion plan	95
Substantive equality	95
Record keeping plan	95
Electoral Act 1907 Section 175ZE	95
Compliance with public sector standards and ethical codes	96
Occupational safety and health	96
Freedom of information	98
Salaries and Allowances Tribunal	98
Appendices	99
Appendix A: Leadership development programs	100
Appendix B: CEO appointments and reappointments	102
Appendix C: Integrity promotion capability sessions	103
Glossary	104
Shortened forms	105

Commissioner's foreword



I am pleased to deliver the Public Sector Commission Annual Report 2017/18 to the Parliament of Western Australia.

While my appointment to the office of the Public Sector Commissioner commenced after the end of the reporting period, it is my pleasure to present the achievements and efforts of Commission staff for 2017/18 following the retirement of Mr Mal Wauchope AO, inaugural Public Sector Commissioner.

On 1 July 2017, the Machinery of Government changes came into effect which saw a reduction in departments by 40 per cent. To ensure strong and effective leadership, the Commission undertook a streamlined recruitment and selection process to secure the Offices of Directors General for nine of the newly amalgamated departments. Their leadership has been critical in reshaping these agencies following the Machinery of Government amalgamations, as well as preparing the sector for further reform.

To realise the efficiencies of these amalgamations, as well as help deliver budget repair, the Government launched a number of workforce reform measures

including reducing the Senior Executive Service (SES) and offering the Voluntary Targeted Separation Scheme (VTSS) to public sector employees. The Commission worked with both the Government and public sector agencies during the reporting period to implement these measures. As at 30 June 2018, agencies achieved the 20 per cent SES reduction target, with a further 2314 employees from across the sector receiving voluntary separations through the VTSS. It is anticipated that impending changes to arrangements for SES right of return and the way SES compensation payments are calculated will also help drive efficiencies, both within agencies and across the public sector.

The last 12 months have been eventful for both the Commission and the sector. I look forward to working with Commission staff to refresh our approach to the work we do, and our contribution to the future of public services in Western Australia.

A handwritten signature in black ink, appearing to read 'Sharyn O'Neill'.

SHARYN O'NEILL
PUBLIC SECTOR COMMISSIONER

3 September 2018

Performance highlights



Oversight & reporting



- Satisfaction
- Integrity
- Culture
- Innovation
- Collaboration



4 Commissioner's Instructions released to support implementation of Machinery of Government changes and other reform measures

584 minor misconduct matters finalised

4 reviews commenced, progressed or finalised

Public sector leadership



Leadership development sessions

Delivered to **2564** participants

Across **86** sessions to support high-level leadership

Assisting **105** authorities in metropolitan and regional WA



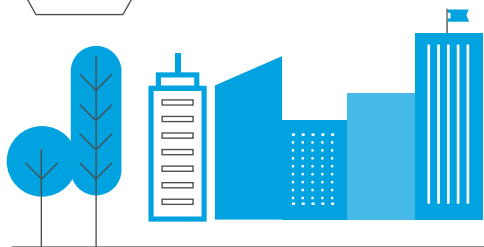
Our results



- ▶ **24** workshops about family and domestic violence held across the public sector
- ▶ **100%** of cadets in the 2017 Aboriginal pilot cadetship program completed it in 2018
- ▶ **6** individuals appointed to new traineeship program for adults with disability



Assistance & support



2314 public sector employees received voluntary separations through the Voluntary Targeted Separation Scheme



84 Integrity promotion sessions delivered to **1964** participants

21 appointments and re-appointments made to CEO positions

20% SES reduction target achieved

3308 enquiries responded to or initiated on advisory line



27 public authorities involved in integrity evaluations

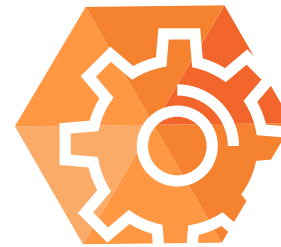
About our report

Our annual report provides information about our purpose, services and performance. The report is divided into four key sections.



Commission in focus | page 7

Provides an overview of our workforce and strategic goals. It introduces our Corporate Executive team and provides a summary of our outcome-based management framework.



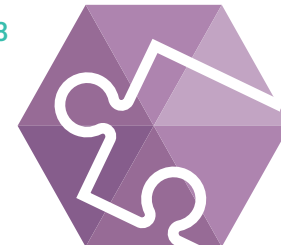
Our performance | page 21

Presents detailed information against each priority area of our work and describes our major initiatives and projects.



Significant issues impacting the Commission | page 18

Outlines the key challenges and opportunities facing the Commission and how we are addressing these, now and into the future.



Disclosures and legal compliance | page 50

Includes our key performance indicators and financial statements, providing information on our performance measures and financial position. It also includes legal requirements, such as our commitment to occupational health and safety.



Section 1

Commission in focus

In this section

Commission profile	9
Who we are	10
Our organisational structure	11
Our Corporate Executive	12
Our workforce profile	14
Supporting diversity	15
Developing our talent	15
Performance management framework	16
Outcome-based management framework	16

Commission profile



The Commission aims to create conditions for a high performing public sector that can service the needs of the Western Australian community now and in the future. We bring leadership and expertise to enhance the integrity of public authorities, and increase the effectiveness and efficiency of the public sector.

Responsible Minister

Our responsible Minister is the Hon Mark McGowan MLA, Premier; Minister for Public Sector Management.

Enabling and administered legislation

The Public Sector Commissioner is an independent statutory officer established under the *Public Sector Management Act 1994* (PSM Act) and supported by the Public Sector Commission (Commission), a department established under the PSM Act.

On behalf of the Commissioner, the Commission administers the:

- *Public Sector Management Act 1994*
- *Public Interest Disclosure Act 2003*
- applicable sections of the *Corruption, Crime and Misconduct Act 2003*
- *Integrity (Lobbyists) Act 2016*.

Additionally, the Office of the Director of Equal Opportunity in Public Employment (DEOPE) resides within the Commission and administers Part IX of the *Equal Opportunity Act 1984*.

Government affiliated bodies

The Salaries and Allowances Tribunal has been determined by the Treasurer, the Hon Ben Wyatt MLA, to be an affiliated body of the Commission in accordance with Section 60(1)(b) of the *Financial Management Act 2006*.

Who we are

Our department

The Commission is a department with policy, assistance and oversight roles.

Our objective

Our objective is to bring leadership and expertise to the public sector and support the integrity, effectiveness and efficiency of public administration and management.

Our purpose

To enhance the integrity of public authorities, and increase the effectiveness and efficiency of the public sector.

Our stakeholders

The work we do is strongly connected to our stakeholders. We maintain relationships with public sector agencies, boards and committees, local governments, public universities, government trading enterprises, the Parliament of Western Australia, the Government, and the community.

Our governance

Corporate Executive

The Corporate Executive, chaired by the Commissioner, makes key strategic decisions about the priorities and direction of the Commission. Corporate Executive meetings are supported by frequent senior management meetings attended by all members of the executive team.

Audit and Risk Committee

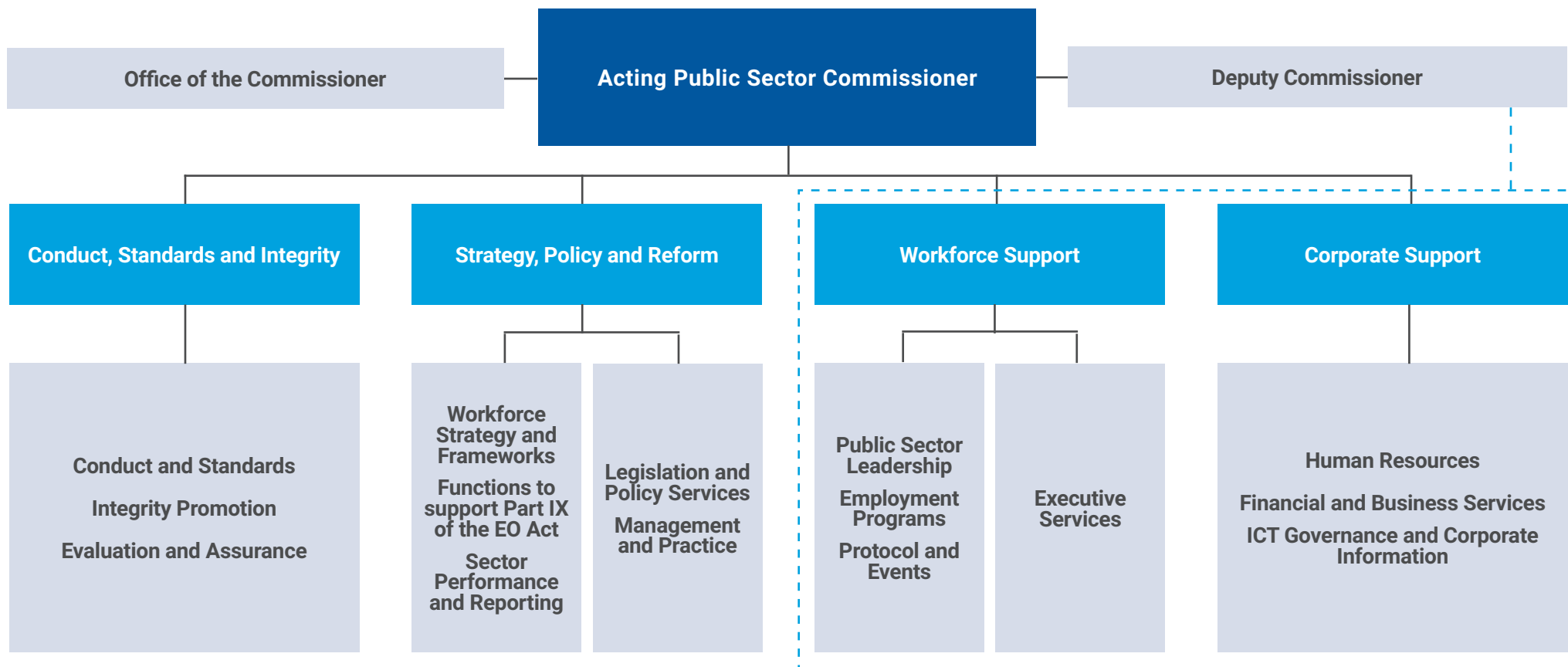
The Audit and Risk Committee strengthens the control environment by overseeing and monitoring our governance, risk and control frameworks, and our external accountability requirements. The Committee reviews and monitors the adequacy of arrangements to ensure that risks are effectively identified and managed, and that risk management is appropriately embedded in all planning and budgetary processes.

ICT Governance Committee

The Information Communication Technology (ICT) Governance Committee operates as a sub-committee of the Corporate Executive. It oversees the development, monitoring and implementation of an ICT road map aligned to our key functions in accordance with *Digital WA: State ICT Strategy 2016-2020*, developed by the Office of the Government Chief Information Officer.

Our organisational structure

As at 30 June 2018 (Interim)



- Commissioner
- Directorate
- Branch

Our Corporate Executive

As at 30 June 2018



Mr Lindsay Warner

Acting Public Sector Commissioner

Lindsay Warner acted as Public Sector Commissioner from April 2018. He joined the Corporate Executive in March 2015. He has an extensive background in public sector reform, including legislative and policy reform, and has held senior roles focused on implementing change within the public sector to improve efficiency, effectiveness and integrity.



Mr Dan Volaric

Deputy Commissioner

Dan Volaric re-joined the Corporate Executive in April 2018 following his return to the Commission from external engagements. As Deputy Commissioner since 2010, Dan has led a number of the Commission's functions including conduct and compliance, internal governance and agency support. Through these roles, he has strategically supported the Commissioner to meet legislative obligations under several pieces of legislation.



Ms Kristabel Rosario

Acting Director of Equal Opportunity in Public Employment

Kristabel Rosario joined the Corporate Executive in March 2018 following her statutory appointment as Acting Director of Equal Opportunity in Public Employment. She has a background in government policy, legislation and strategic projects, and experience in Australia (at State and Commonwealth levels) and the United Kingdom.



Mr Alan Barrett

Acting Executive Director, Strategy, Policy and Reform

Alan Barrett joined the Corporate Executive in January 2015. He has held senior policy and governance roles in the Arts portfolio, Office of the Public Sector Standards Commissioner, Department of the Premier and Cabinet, and Commission. In recent years, he guided the transfer of minor misconduct functions to the Commission, supported Machinery of Government changes, and directed misconduct oversight and reporting functions for the Commissioner.



Mr David Robinson

Acting Executive Director, Conduct and Compliance

David Robinson joined the Corporate Executive in April 2018 following his secondment from the Corruption and Crime Commission (CCC). He has expertise in government policy, investigation and integrity in senior roles in the public sector including at the CCC, Department of Education and WA Ombudsman.



Ms Amanda Alderson

Chief Finance Officer

Amanda Alderson re-joined the Corporate Executive in November 2017 following a return to the Commission from external engagements. Amanda has experience in the development, management and implementation of strategic priorities, particularly where change and reform have been priorities. Amanda is responsible for the leadership and financial management of the Commission and staff, assisting in business decision making from a financial accountability and strategic management perspective.



Ms Carissa Griffiths

Acting Assistant Director, Office of the Commissioner

Carissa Griffiths re-joined the Corporate Executive in February 2018. She was previously a member of the Corporate Executive from 2011 to 2014 as Manager Human Resources Strategy and Support. As a strategic human resources specialist, Carissa has held a number of senior human resources and strategic planning positions in the public sector including at the Commission and Department of the Premier and Cabinet.

Our workforce profile* | 2017/18

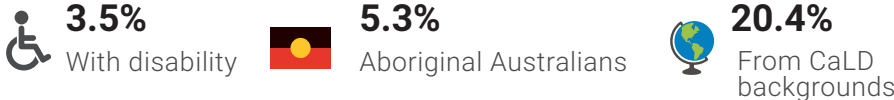
113 employees at the Public Sector Commission

102.09 full-time equivalent (FTE)

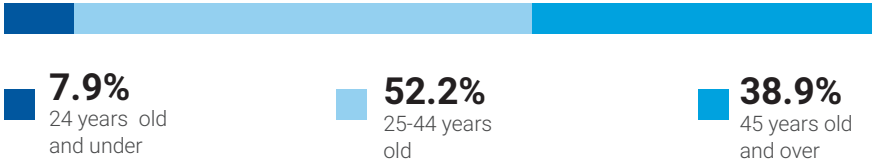
Representation (%)

Groups	Commission	Public sector
	2017/18	2018 #
Aboriginal Australians	5.3%	2.7%
People with disability	3.5%	1.8%
Women in management (tiers 2 and 3)	47.8%	47.3%
Women in the Senior Executive Service (SES)	0%	33.3%
People from Culturally and linguistically diverse backgrounds (CaLD)	20.4%	13.1%
People 24 years old and under	7.9%	4.3%
People 25 to 44 years old	52.2%	43.6%
People 45 years old and over	38.9%	52.1%

We are committed to employing a diverse workforce

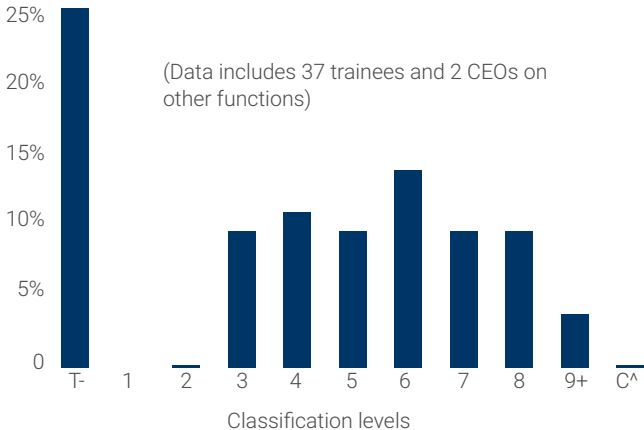


Age profile (Median age: 42.2 years old)

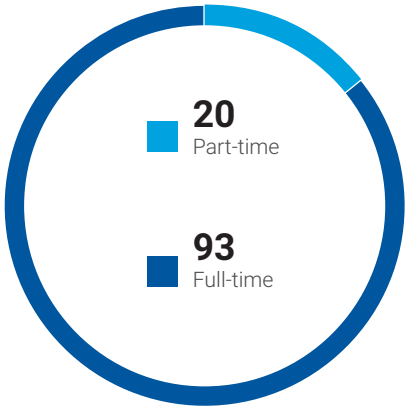


Public sector data is current as of March 2018.

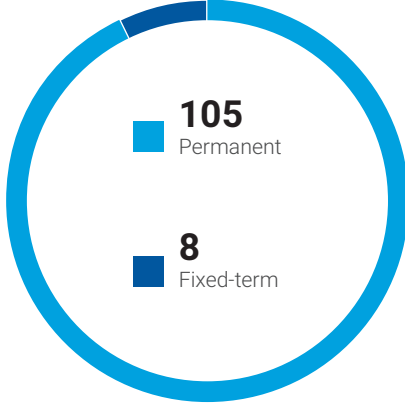
Employees across classification levels



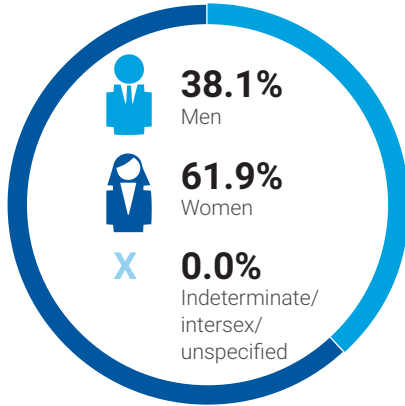
Working arrangements



Employment type



Gender



- Trainees + Level 9 and above ^ CEOs on other functions

* Data does not include Aboriginal trainees as, although employed by the Commission, they are hosted by other agencies.

Supporting diversity

This year, we implemented our 'Reflect' Reconciliation Action Plan. The plan marked our commitment to furthering advancement and equality for our Aboriginal and Torres Strait Islander employees through understanding, acknowledgement, recognition, respect and inclusion.

Optimising opportunities for people with disability to engage in public sector employment was also a key priority. We continued to use provisions in the EO Act to achieve equality and inclusivity through targeted recruitment for people with disability and Aboriginal traineeships.

As an 'ALLY' organisation, during the year we identified opportunities to promote diversity and inclusion, and increase visibility and awareness of lesbian, gay, bisexual, transgender and intersex (LGBTI) people. We recognised and celebrated International Day Against Homophobia, Transphobia and Biphobia (IDAHOBIT).

Other strategies we employed during the reporting period to provide equitable and inclusive access are detailed under the 'Other legal and policy requirements' section.

Developing our talent

Performance management

During the year, 71 per cent of staff were actively engaged in performance development discussions. They helped define expectations, provided feedback on performance, and identified relevant development opportunities for staff.

Professional development

To build the capability of our workforce, we facilitated a targeted behavioural based training session for 18 senior leaders. This training session uncovered unconscious motivators, behavioural patterns and triggers that may impact/influence decision making.

We continued supporting and advising staff on health and wellness. A Mental Health First Aid refresher training session was delivered to 14 staff and we facilitated Family Domestic Violence Contact Officer training for seven staff.

We also delivered Accountable and Ethical Decision Making training and refresher training to staff.

Graduate development program

Two university graduates were recruited as part of our annual graduate development program, providing them with structured learning to develop core capabilities to work in the public sector. As at 30 June 2018 we had nine permanent staff who commenced their careers through the graduate program.

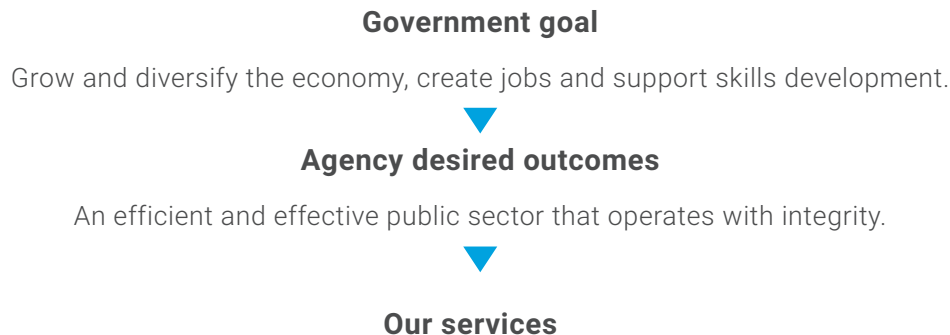
Traineeships

In 2017/18, four trainees undertook placements at the Commission including one school-based trainee with disability, one school-based Aboriginal trainee and two full-time trainees. On successful completion of their traineeships, they receive nationally recognised qualifications. As at 30 June 2018 we had three permanent staff who commenced their careers through one of our traineeship programs.

Performance management framework

Outcome-based management framework

We supported the broad Government goal of 'Future jobs and skills' by providing services to enhance the efficiency, effectiveness and integrity of the public sector. The diagram to the right illustrates the relationship between our services and desired outcomes, and the broad Government goal to which we contributed.



Public sector leadership

This service develops and supports current and future leaders, and builds the capacity of the public sector workforce through the delivery of leadership and workforce development products, programs and training.



Assistance and support

This service provides advice, assistance and support to public sector bodies, and employees on a range of administration, management, integrity and governance matters.



Oversight and reporting

This service progresses changes to legislation and develops policies to improve public administration and management, and provides independent oversight to monitor and report to Parliament and ministers on compliance with the PSM Act, CCM Act, PID Act and Part IX of the EO Act.

The Commission's three service areas were linked to key performance indicators comprised of effectiveness and efficiency indicators which considered the extent to which the Commission achieved its desired outcomes.

Desired outcomes Effectiveness indicators	Services provided Efficiency indicators
<ul style="list-style-type: none"> ▪ The portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped enhance integrity within their organisations. ▪ The portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped them to enhance the effectiveness and efficiency of their organisations. ▪ The portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped them to enhance diversity and inclusion within their organisations. 	<p>Service 1 - Public sector leadership</p> <ul style="list-style-type: none"> ▪ Average cost per leadership development program, product or training hour. ▪ Average cost per workforce development program, product or training hour. <p>Service 2 - Assistance and support</p> <ul style="list-style-type: none"> ▪ Average cost per hour of assistance and support provided. ▪ Average cost per public administration, standards and integrity program, product or training hour. <p>Service 3 - Oversight and reporting</p> <ul style="list-style-type: none"> ▪ Average cost per hour addressing legislative and policy development. ▪ Average cost per hour of performance and oversight activity. ▪ Percentage of oversight actions completed within target timeframes.

Changes to outcome-based management framework

Our outcome-based management framework was changed during 2017/18 to better reflect our functions, strategic priorities and structure.

Our key effectiveness indicators were broadened to better encompass our functions.

Additionally, our core client group was changed to include local government, public universities and government trading enterprises, and to remove government boards and committees.

Specifically, following the transfer of minor misconduct functions, the Commission assumed responsibility for the oversight of local government, public universities and government trading enterprises. At the same time, although our interactions with boards and committees continued to grow, their large number and diverse responsibilities meant contact with some was greater than others.

Shared responsibilities with other agencies

The Commission did not share any responsibilities with other agencies in 2017/18.



Section 2

Significant issues impacting the Commission

In this section

Progressing the Government's public sector reform agenda	19
Review of the Public Sector Commission	19

Progressing the Government's public sector reform agenda

The Government's significant reform program— informed by recommendations arising from the Service Priority Review, Special Inquiry into Government Programs and Projects, Sustainable Health Review, and CEO Working Groups—continued in 2017/18.

To assist with the significant reform program, a working group and steering committee were established to oversee the mobilisation of the reform program. The Commission was represented on both of these during the reporting period.

A framework for a public sector reform implementation plan and 20 early initiatives were endorsed by Cabinet in May 2018, and the Commission progressed work on a number of these early initiatives. The Commission also progressed a number of other reform projects in support of the Government's broader reform agenda. This included effecting changes to allow for the implementation of a pay freeze for senior executives, and progressing changes to arrangements for SES right of return and the way SES compensation payments are calculated.

It is anticipated that the focus on public sector reform will remain into 2018/19 and beyond.

Review of the Public Sector Commission

To ensure the Commission is best placed to deliver the Government's reform objectives and address future challenges, a review of the Public Sector Commission was initiated by the Premier in April 2018. The Review was undertaken by Ms Carmel McGregor PSM who will report to the Premier in the new financial year.





Section 3

Our performance

In this section

Performance summary	22
Actual results versus budget targets	22
Summary of key performance indicators	23
Report on operations	24
Service 1: Public sector leadership	24
Leadership sessions	25
Diversity and inclusion	26
Our focus: Measures to achieve equality	27
Specialist capability building initiatives	30
Our focus: Safe spaces	31
Service 2: Assistance and support	32
Our focus: Budget repair measures	33
Assisting with human resources	34
Supporting CEOs	35
Executive services	36
Integrity promotion	37
Service 3: Oversight and reporting	40
Conduct, integrity and accountability	41
Overseeing minor misconduct	42
Legislation and policy	45
Machinery of Government	46
Our focus: Commissioner's Instructions	47
Collecting and reporting data	48

Performance summary

Actual results versus budget targets

Financial targets

Category	Target ⁽¹⁾ 2017/18 \$000	Actual 2017/18 \$000	Variance ⁽²⁾ \$000
Total cost of services (expense limit)	27 118	24 952	(2166) ^(a)
Net cost of services	26 725	24 670	(2055) ^(a)
Total equity	12 186	13 116	930
Net increase/ (decrease) in cash held	(187)	(1722)	1535 ^(b)
Approved salary expense level	17 882	16 690	(1192) ^(c)

(1) As specified in the Budget Statements.

(2) Further explanations are in Note 31 'Explanatory statement' to the financial statements.

(a) The variation is mainly due to a reduction in costs from implementing public sector reform initiatives, reduced number of external training courses delivered and a decrease in the notional cost of resources received free of charge.

(b) The variation is mainly due to the return of surplus cash to the Consolidated Account as per the Cash Management Policy offset by a reduction in the cost of services.

(c) The variation is mainly due to the effect of implementing public sector initiatives such as SES reduction, public sector wages policy and Voluntary Targeted Separation Scheme.

Working cash targets

Category	Agreed limit 2017/18 \$000	Target ⁽¹⁾ / actual ⁽²⁾ 2017/18 \$000	Variance \$000
Agreed working cash limit (at Budget)	1339	1339	N/A
Agreed working cash limit (at Actuals)	1256	5642	4386 ^(a)

(1) As specified in the Budget Statements.

(2) Explanations for the variations between target and actual results are in Note 31 'Explanatory statement' to the financial statements.

(a) The variation is mainly due to a reduction in expenditure such as salaries and wages, and supplies and services.

Summary of key performance indicators

For a more detailed explanation of the indicators and reasons for variances, please refer to the audited 'Key performance indicators' section of this report.

Summary of key effectiveness indicators

Key effectiveness indicator	Target 2017/18	Actual 2017/18	Variance
The portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped enhance integrity within their organisations.	75.0%	86.0%	11.0%
The portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped them to enhance the effectiveness and efficiency of their organisations.	75.0%	71.0%	(4.0%)
The portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped them to enhance diversity and inclusion within their organisations.	75.0%	53.3%	(21.7%)

Summary of key efficiency indicators

Service 1 – Public sector leadership	Target 2017/18	Actual 2017/18	Variance	Actual 2016/17	Actual 2015/16
Average cost per leadership development program, product or training hour.	\$151	\$93	(\$58)	\$144	\$117
Average cost per workforce development program, product or training hour.	\$151	\$134	(\$17)	\$147	\$117

Service 2 – Assistance and support	Target 2017/18	Actual 2017/18	Variance	Actual 2016/17	Actual 2015/16
Average cost per hour of assistance and support provided.	\$108	\$99	(\$9)	\$106	\$92
Average cost per public administration, standards and integrity program, product or training hour.	\$115	\$87	(\$28)	\$112	\$85

Service 3 – Oversight and reporting	Target 2017/18	Actual 2017/18	Variance	Actual 2016/17	Actual 2015/16
Average cost per hour addressing legislative and policy development.	\$112	\$85	(\$27)	\$102	\$91
Average cost per hour of performance and oversight activity.	\$121	\$89	(\$32)	\$111	\$98
Percentage of oversight actions completed within target timeframes.	90%	86%	(4%)	91%	93%



Service 1

Public sector leadership



We continued to support development along the leadership pipeline by delivering and facilitating leadership development programs and sessions to CEOs, the Senior Executive Service (SES) and emerging leaders across the public sector. We also focused on raising awareness around family and domestic violence and its effects within the workplace.

Key diversity focus areas in 2017/18 included providing authorities with the framework, tools and advice to pro-actively make recruitment, retention and advancement decisions for successful outcomes in diversity and inclusion. We also developed and launched a new traineeship program for adult people with disability.

2017/18 in review



2564 participants attended leadership development sessions



24 workshops about family and domestic violence were held across the public sector



6 individuals were appointed as part of the Commission's pilot adult traineeship program, in partnership with the National Disability Recruitment Coordinator



73 public officers undertook the Certificate IV in Government (Investigations)



Leadership sessions

We continued our commitment to building the expertise of public sector leaders at all levels by delivering and facilitating leadership development programs to CEOs, the SES and emerging leaders across the public sector. A description of these programs is in Appendix A.

During the reporting period, we launched two new leadership initiatives:

- Conversations with the Sector connected past and present participants of the whole of sector graduate development program
- Thought Leadership Program broadened the scope of speakers brought to leadership audiences to include those from the not-for-profit and private sectors.

In addition, we hosted information sessions for CEOs and senior executives to provide them with information on notable changes and initiatives in the sector. This included sessions to inform leaders of the Service Priority Review, public sector reform agenda and the launch of *Safe spaces - A guide for public sector agencies*.

In 2017/18, we delivered and facilitated 86 sessions to support high-level leadership to a total of 2564 participants across metropolitan and regional WA.

Our leadership development sessions in 2017/18

The Commission facilitated and delivered a range of programs and sessions aimed at delivering capable leaders, now and into the future



sessions delivered to support development along the leadership pipeline



participants attended leadership development sessions[^]



metropolitan and regional public authorities represented

Levels 3–5 Graduate development program*



Conversations with the sector



SES sessions

ANZSOG Executive Master of Public Administration*



CEO sessions

ANZSOG interjurisdictional CEO forum



Levels 4–6 Management essentials



Levels 7–9 Leadership essentials*



SES leadership seminars**



CEO leadership seminars**



All classifications Leadership seminars**



Leadership events and sessions



SES events and sessions



CEO events and sessions



[^] This figure is more than the sum of participants from each program as it is calculated using attendance records, and thus captures participants who attended multiple sessions as part of one program.
^{*} This figure includes participants who commenced the program in the previous reporting periods but continued to undertake the program during the current reporting period.
^{**} This figure includes participants of the ANZSOG Leadership Seminar Series which was re-badged to the Thought Leadership Seminar Series in 2018.



Diversity and inclusion

Women in leadership

While recent structural and legislative reform has had an unintended impact on the diversity profile of the senior executive cohort, the gender balance remained relatively unchanged since February 2017. Women continued to be under-represented in senior roles despite comprising the majority of employees within the public sector workforce.

The Commission, supported by the other central agencies and the Public Sector Leadership Council, continued to work to identify the structural and cultural barriers to, and enablers of, equitable career progression for women in the public sector.

Drawing on current research and experiences from other jurisdictions, particularly where gender parity was being achieved and sustained, the Commission started developing a Gender Equality in Leadership Strategy as part of the Government's broader public sector reform program.

Sexuality, sex and gender diversity

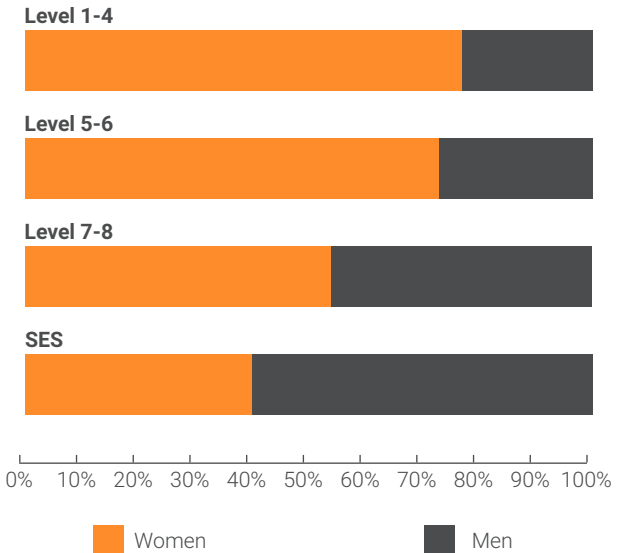
We continued to assist authorities to build LGBTI inclusive practices, move beyond the male and female gender binary, and encourage authorities to establish networks through ALLY training. We were a member of Pride in Diversity, a national support network, and maintained a working relationship with the Equal Opportunity Commission.

To support public authorities to develop and sustain inclusive workplace cultures where sex, sexual and gender diversity are accepted, affirmed and celebrated, the Commission started developing *A guide to building inclusive cultures: Sexuality, sex and gender diversity in public employment*. We worked with Pride in Diversity, the Equal Opportunity Commission, human resource officers, LGBTI employees and external LGBTI inclusive organisations.

We also continued to develop a set of actions and considerations to assist agencies in supporting transgender employees and those who seek to transition or affirm their true gender in the workplace.

Fact check

Women represented **72%** of the public sector workforce as at March 2018



did you know?

The Commission produced and published the *Selection panel briefing: Managing unconscious bias* video to prepare recruitment and selection panels to act with awareness when making recruitment decisions.



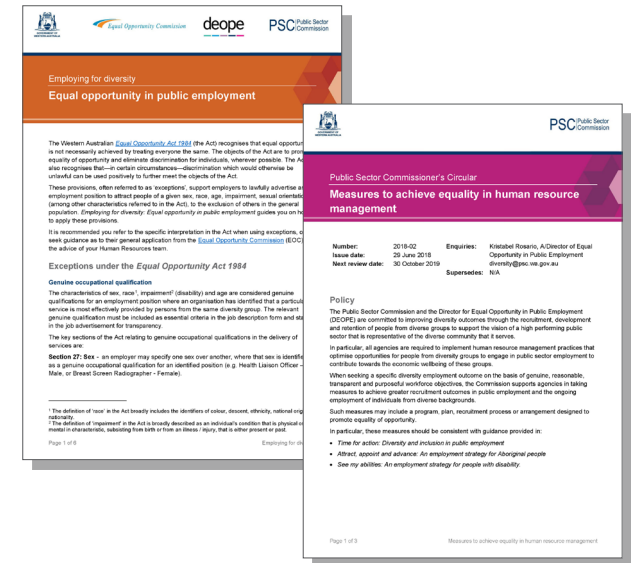
Our focus

Measures to achieve equality

In 2017/18, we released a new circular [Measures to achieve equality in human resource management](#) and supporting resource [Employing for diversity – Equal opportunity in public employment](#). Jointly progressed with the Acting Director of Equal Opportunity in Public Employment and in consultation with the Equal Opportunity Commission, the Circular clarified the relationship between the *Public Sector Management Act 1994* and *Equal Opportunity Act 1984* (EO Act). In doing so, the Circular empowered agencies to use the measures in the EO Act to afford specific equal employment opportunities in the public sector in the context of public sector recruitment and employment decisions.

Both resources provided authorities with the framework, tools and advice to pro-actively make recruitment, retention and advancement decisions for successful outcomes in diversity and inclusion. This aimed to result in better provision and effective delivery of and access to services for clients. It also aimed to result in a workforce that more accurately reflected the diversity of the State's working population.

This suite of resources was the starting point for the greater consideration of workforce diversity implications as part of a strategic human capital approach in an environment of tightened fiscal policy and budget constraints.





Aboriginal employment

In 2017/18, the Aboriginal Traineeship program was re-modelled to include two separate traineeship intakes which allowed trainees to receive greater support and concentrated mentorship from staff working in the program. In addition, 26 trainees from the previous 2016/17 cohort completed the traineeship and graduated with a Certificate III in Government (Public Administration). We continued to liaise with agencies to secure ongoing employment opportunities for these trainees.

This year, 40 trainees commenced the traineeship program and were placed in 20 agencies across the public sector.

Last year, the Commission launched a 'pilot' cadetship program that provided Aboriginal university students with paid work placements in the final year of their studies. A total of three cadets participated in the program which focused on complementing theory based learning with practical workplace experiences in public sector agencies. Each cadet completed their placement in February 2018.

To further strengthen the sector's relationship with Aboriginal communities in the regions, we offered placements to four public sector employees on the Jawun Corporate Partnership Program. Participants

travelled to remote Aboriginal communities, two in West Kimberley and two in East Kimberley, to work in local organisations for up to six weeks.

To continue to develop Aboriginal employees and advance their careers for effective public sector stewardship, we also offered scholarships for five participants across three of our programs: policy essentials, graduate development and leadership essentials.

We continue to work with agency graduate program coordinators to identify opportunities for increasing the number of Aboriginal university graduates recruited through graduate programs. In particular, we supported the Department of Communities' targeted Aboriginal graduate program.

Youth employment

Our [*Time for action: Diversity and inclusion in public employment*](#) outlined a public sector goal of 5 per cent representation for people 24 years of age and under by the end of the 2018/19 reporting period. This target supported the Government's *Plan For Jobs* and the State Training Board's *State Training Plan 2017-2020*.

In 2017/18, we offered 50 full-time traineeship placements to public sector agencies. These placements consisted of 10 direct appointments to five agencies and 40 (in the Aboriginal traineeship program) host arrangements to 20 agencies.

During the reporting period, we received 28 school-based traineeship requests from 14 agencies. As a result, 21 school-based trainees commenced traineeships in the public sector.

We continued to offer a trainee transition to employment recruitment and referral service to retain talent and assist trainees in entry level 1 employment in the public sector. During 2017/18, we received 79 vacancy requests by 13 public sector agencies requesting completed trainees to be appointed into full-time or part-time level 1 positions.



Disability employment

In 2017/18, the representation of people with disability in the public sector workforce remained under-represented in comparison to the broader Western Australian community.

Key strategies contained in our [See my abilities: An employment strategy for people with disability](#) and [Time for action: Diversity and inclusion in public employment](#) supported the development and implementation of disability employment initiatives to increase opportunities for people with disability. During the reporting period, we supported traineeships for people with disability and a pilot cadetship program for university students with disability, providing paid work placements for university graduates in their final year of studies.

We developed and launched a new traineeship program for adult people with disability in partnership with the National Disability Recruitment Coordinator. A structured combination of employment, training and mentoring, it was underpinned by a comprehensive package of support services. Six people were appointed to the program for either 12 months (full-time) or 18 months (part-time).

During the reporting period, we also:

- expanded our disability employment toolkit
- introduced additional measures and supporting resources to recruit, retain and advance employees with disability.

did you know?

To support disability employment in the public sector, in 2017/18 the Commission supported the:

qualifications of **5** school-based trainees in 2017, with three more on track to complete their qualifications later in 2018

graduation of **5** full-time trainees in 2017

completion of **4** students under a pilot university cadetship program in 2018

appointment of **6** people to the new traineeship program for adults.



Find out more about the work we are doing to facilitate [employment for people with disability](#) in the public sector on our website.



Specialist capability building initiatives

In 2017/18, we facilitated initiatives to develop the technical capability of key specialists working in human resources, policy and investigation roles in public authorities.

Human resources

During the reporting period, we progressed a number of activities to improve the capability of human resource (HR) practitioners throughout the sector. This included facilitating two forums to a total of 155 chief HR officers and other HR practitioners on the following topics: *Post budget update: Public sector workforce renewal* and *Launch of safe spaces: A guide for public sector agencies*. We also tailored one of our Thought Leadership Series sessions, *Trust matters: Building and sustaining organisational trust*, to support HR practitioners.

In collaboration with the Department of Mines, Industry Regulation and Safety, we ran two sessions titled *Case Manager Information Session: An Introduction to the Redeployment and Redundancy Framework*. The sessions provided HR and case managers with an overview of the framework for managing surplus employees, including the management and referral of surplus employees covered by the *Public Service and Government Officers CSA General Agreement 2017*. We also conducted four one-day case manager workshops to 87 participants to build capability in the areas of skills audits, developing transition plans and case management.

To help facilitate knowledge sharing, we worked with a number of groups including the Inter-Agency Mentoring Program and Graduate Coordinators Reference Group. Learnings from the group around the need for graduates to build professional networks in the sector contributed to the development of the *Conversations with the Sector* series.

Policy

Our Policy Essentials program aims to build the policy capacity of the public sector and supports the ongoing application of the Policy Capability Framework. The program was contextualised for the WA public sector, designed around contemporary, real-life examples and delivered by experienced practitioners working in the sector. During the reporting period, we delivered 10 sessions to 55 participants from two intakes, one in 2017 and the other 2018. One *Thought Leadership Series* session was also tailored to support policy practitioners.

During the reporting period, we facilitated the following two policy practitioner forums to 119 participants:

- *Effective Policy Development and Instruction*, presented by the Regulatory Gatekeeping Unit and Parliamentary Counsel's Office

- *Navigating the Parliamentary Process*, presented by the Department of the Premier and Cabinet, Parliamentary Counsel's Office, WA Police and Department of Local Government, Sport and Cultural Industries.

Investigations

As part of our prevention and education function under the *Corruption, Crime and Misconduct Act 2003*, we are responsible for raising the capacity and capability of public authorities to report and investigate misconduct.

We provided training to develop the practical skills and knowledge of public officers to investigate non-compliance and report on investigations. This training covered the competencies required by those responsible for investigations in accordance with legislative obligations, and organisational policy and instructions.

In 2017/18, we continued to up-skill public officers conducting investigations with 73 officers undertaking the Certificate IV in Government (Investigations). Of those, 25 officers received their nationally accredited qualification in the reporting period, with the rest still in progress.



Our focus

Safe spaces

In October 2017, in collaboration with the Minister for Family and Domestic Violence, we launched [Safe spaces - A guide for public sector agencies and employees](#). It supported the [Premier's Circular 2017/07, Family and domestic support – paid leave and workplace support](#) and the Department of Mines, Industry Regulation and Safety's [Implementation Guidelines](#). This guide outlined key areas for policy development and practice, alongside leave entitlements to provide holistic workplace support for employees affected by family and domestic violence.

We partnered with Lifeline WA to deliver family and domestic violence awareness raising workshops to staff in public sector agencies. Customised for public sector agencies, they included strategies covered in the circular, guide and guidelines. They built the knowledge and skills required to recognise the signs of domestic and family violence, respond with appropriate care, and refer employees to support services and resources.

In 2018, we held 24 workshops across the public sector. Feedback was positive, with employees reporting a better understanding of family and domestic violence, more confidence in recognising and responding appropriately, and a better understanding of the requirements for safety planning and policy development.



did you know?

Safe spaces provides advice around five areas of support including:

- **flexible workplace arrangements and modification**
- **confidentiality and privacy**
- **counselling**
- **safety planning**
- **building supportive cultures.**



Service 2

Assistance and support



This year, we worked with Government to implement its significant reform agenda. This included assisting the Government in its efforts to reduce the size and cost of the Senior Executive Service (SES) and to implement the Voluntary Targeted Separation Scheme (VTSS). These changes aimed to improve the efficiency and effectiveness of the sector, while maintaining operational responsiveness and flexibility.

We continued to support public authorities to understand and comply with their obligations under various legislation administered by the Commission, including the PSM Act, CCM Act and PID Act.

2017/18 in review



2314 employees received voluntary separations through the VTSS



20% SES reduction target achieved



3308 enquiries responded to or initiated on our advisory line



1964 participants attended conduct and integrity related training, workshops and information sessions



27 public authorities involved in our integrity evaluations



Our focus

Budget repair measures

In the 2017-18 Budget, the Government announced a number of initiatives to drive public sector reform and assist with Budget repair. This included a focus on reducing the general Government operating deficit and controlling expenditure growth.

We assisted Government to implement two significant budget repair measures during the reporting period – the VTSS and SES reduction.

Voluntary Targeted Separation Scheme

As part of the budget repair process, the VTSS for Public Sector Renewal 2017 was announced by Government in September 2017. While the VTSS was open to all general government employees, priority was given to agencies impacted by Machinery of Government changes. In considering individual separation requests, each CEO was asked to consider the impact of the request on the agency's operations and service delivery and, in the case of fixed-term employees, demonstrate a clear net benefit to Government.

There was a high level of interest in the VTSS, with each request considered by CEOs to ensure it focused on reducing duplication and not on the loss of essential roles.

We worked with agencies to progress the VTSS via expressions of interest. As part of this, all agencies were required to report their VTSS activities to us.

At the conclusion of the VTSS on 30 June 2018, 2314 employees from across the sector received voluntary separations which totalled \$279 872 630. In *2018-19 Budget Paper No. 1 - Treasurer's Speech*, he indicated that gross savings under the scheme are estimated to total \$1.1 billion over the current forward estimates period.

In total, 354 separations were self-funded by agencies across the sector, with the balance centrally-funded by the Consolidated Account.

Further VTSS separations are still to be finalised for non-operational police officers and, as a consequence of ongoing service restructuring in some agencies, it is anticipated that remaining VTSS separations will bring the total separations close to the original estimate of 3000.

SES reduction

As part of the Government's commitment to drive cultural change and deliver cost savings to assist with budget repair, it instructed CEOs to deliver a 20 per cent reduction of the SES by 31 March 2018. This significant reform, in conjunction with the reduction of Government departments from 41 to 25, aimed to create collaborative departments focused on whole-of-Government objectives and delivering services in the most efficient ways.

In June 2017, following agency-based audits of SES and equivalent positions, we issued *Public Sector Commissioner's Circular: 2017-03, Workforce Management – Senior Executive Service Reduction*, providing agencies with information on managing SES reduction requirements. We scrutinised appointment, reappointment and advertising requests to ensure opportunities for SES members and position reductions were maximised.

Due to this initiative, there was a net reduction of 140 SES officers as at 30 June 2018 and the 20 per cent SES reduction target was achieved. In *2018-19 Budget Paper No. 1 - Treasurer's Speech*, he indicated that this is expected to save \$26 million a year from 2018/19.



Assisting with human resources

Redeployment and redundancy

We continued to administer the public sector's redeployment and redundancy framework.

In 2017/18, in addition to those approved under the VTSS, 56 public sector employees received voluntary separations, which totalled \$7 939 232. A further six employees who were registered for redeployment received redundancy payments totalling \$449 633.

Of the employees who were registered for redeployment, six were retained in the sector. Since the introduction of the framework, the number of employees registered for redeployment has remained low.

As part of our capability building role, during the reporting period we undertook 779 consultations with public sector agencies, conducted two information sessions and delivered four case management workshops. More information about these sessions is on page 30.

eRecruitment

The Recruitment Advertising and Management System (RAMS) provides HR practitioners with an online tool to manage their recruitment activities up to appointing suitable applicants. An average of 1283 vacant positions were posted to the WA Government Jobs Board (www.jobs.wa.gov.au) through RAMS each month.

The eRecruitment strategy project that commenced in 2016/17 to explore future eRecruitment options for the sector was finalised during the reporting period. Several options were identified and a preferred option endorsed for progression during the next reporting period.





Supporting CEOs

CEO appointments and reappointments

In 2017/18, we facilitated 20 appointments and one reappointment to CEO positions (several of these were concurrent appointments). During the reporting period, we also assisted in the appointment of three statutory office holders. Appendix B has further detail.

Acting CEO arrangements

In 2017/18, the Commissioner directed 36 people to act in CEO offices to ensure that all CEO offices had a person in the role, whether substantive or acting, at all times (several of these were concurrent acting appointments). This included nine people who acted in CEO offices established through Machinery of Government reforms prior to the appointment of substantive CEOs. We also facilitated arrangements for five people to act in five statutory offices.

CEO performance agreements

In 2017/18, a simplified CEO performance agreement process was implemented in recognition of the Machinery of Government changes and the anticipated outcomes arising from the Service Priority Review.

did you know?

In 2017/18 the Commissioner:

appointed or assisted in the appointment of:

9 people to 18 CEO offices established through Machinery of Government reforms

2 people to 2 CEO offices not impacted by Machinery of Government

3 statutory office holders

reappointed:

1 person to 1 CEO office

directed or facilitated arrangements for:

9 people to act in 18 CEO offices established through Machinery of Government reforms

27 people to act in 21 CEO offices not impacted by Machinery of Government

5 people to act in 5 statutory offices



Executive services

Senior Executive Service

Under section 59 of the PSM Act, we provided executive officers who did not have, or who had foregone, right of return to the public sector with entitlement to compensation for early termination of their employment. In 2017/18, a total of 54 payments were approved, totalling \$11 404 980.

From 1 September 2017, compensation was applied on the basis of four months' remuneration for each full year remaining on a contract with a minimum of four months' remuneration, or the remainder of the contract term, whichever was the lesser.

Approved Procedures 6 and 7

Approved Procedures 6 and 7 were introduced in 2003 to remunerate public sector employees beyond the scope of industrial instruments or the broadband classification system. In accordance with *Premier's Circular 2017/04: Review of payment of all existing attraction and retention incentives*, we reviewed all SES attraction and retention incentives (ARIs) in late 2017.

Following the Review of Approved Procedures 6 and 7, there were 24 ARIs in place at 30 June 2018. There were also six officers engaged under AP6 arrangements at 30 June 2018.

Government boards and committees

This year, we made 30 remuneration recommendations to ministers and Cabinet for Government boards and committees. Remuneration received by board and committee members is required to be published in the annual reports of public authorities.

As part of our integrity promotion program, we interacted with government boards and committees to assist them in good governance. This included training and advice to boards and committees around a variety of matters. In 2017/18 we provided advice (and other assistance) on 138 matters including indicative remuneration, policy and procedures and Cabinet comment decision sheet follow-ups.

Ministers and Parliament

We maintained a strong relationship with the Government and Parliament. We continued to provide advice and support to members of Parliament and ministers on request.

During the reporting period, the Commissioner presented to officers of Parliament at the Australian and New Zealand Association for Clerks-at-the-Table Conference. The Commissioner provided delegates with an update of our review of the Policy for Public Sector Witnesses Appearing Before Parliamentary Committees and discussed the tensions that can arise between the Parliament and the Executive.



Integrity promotion

The Commission continued to offer training, information and advisory services to assist public authorities to understand their obligations under the PSM Act, CCM Act and PID Act, and to build ethical cultures.

Capacity building sessions

In 2017/18, as part of our integrity promotion role, we hosted 84 integrity promotion sessions attended by 1964 participants from across the sectors.

We developed and launched two new workshops in response to identified risks within the sector:

- *Integrity in recruitment* – a workshop that takes a risk based approach to integrity in a recruitment process by looking at both sides of the process: the integrity of decision making of the selection panel and the integrity of the applicant.
- *Understanding the influences underpinning conflicts of interest* – a workshop that provides managers, supervisors and employees with guidance and practical advice to effectively manage a conflict of interest.

did you know?

We delivered 3 public sector induction seminars to 169 public sector employees across 28 agencies, providing them with an understanding of the WA public sector and its accountability, integrity and ethics framework.



More detail regarding our capability building sessions is in Appendix C.



Advisory and consulting services

Our advisory line service assisted individuals and public authorities with enquiries regarding a variety of conduct, integrity and ethical matters. During the year, the advisory line responded to or initiated 3308 enquiries from 2542 telephone calls, of which 475 matters related specifically to minor misconduct or integrity, and 142 related specifically to public interest disclosure matters. We also completed nine peer reviews of agency codes of conduct and conduct-related policies and procedures.

Public interest disclosure awareness

As part of our integrity promotion role, we supported authorities to understand and meet their obligations under the PID Act. This included assisting public authorities to develop their PID procedures, distributing information resources, and delivering specialist training to PID officers. The training we delivered during 2017/18 is reflected on page 103.

Partnering to build integrity

In March 2018, the Commissioner hosted the Commission's Integrity Forum in Perth and Bunbury. The guest speaker was A J Brown, Professor of Public Policy and Law at Griffith University. Professor Brown is the project leader of 'Whistling while they work 2' (WWTW2), a research project for which the Commission is a partner agency.

The WWTW2 research is exploring the efficacy of private and public organisations' whistleblowing processes. The influence of ethical leadership styles on managers' support of staff who internally report wrongdoing, and of individual and environmental factors on official reporting of wrongdoing, will help inform future public interest disclosure assistance and support.

The events were well attended by employees from the public sector, local government, government trading enterprises and public universities. Attendees included chief executive officers, PID officers, senior officers, governance practitioners, managers and employees responsible for misconduct prevention.

In December 2017, we also hosted an event to recognise International Anti-Corruption Day in collaboration with the Corruption and Crime Commission, which was attended by 116 senior officers. Opened by the Hon Margaret Quirk MLA, Chair of the Joint Standing Committee on the Corruption and Crime Commission, the event included a guest presentation from Ms Fran Thorn, National Partner, Public Sector and Healthcare, Deloitte, followed by a panel discussion from the hosting commissioners.

did you know?

During the reporting period, we developed the following new resources:

Taking action on integrity issues

To assist public authorities and members of the public in identifying the various reporting avenues available when they encounter inappropriate employee behaviour.

Providing a supportive and resilient workplace – Talk-the-talk, Walk-the-walk

To assist employees and managers understand and deal with bullying issues including guidance on warning signs, corrective actions and further assistance options. This was developed following our evaluation of prevention and management of bullying.



Evaluations

We conducted evaluations under the Commissioner's prevention and education functions to help mitigate integrity risks and ensure public authorities understand how to comply with their legislative requirements. Our findings helped to advise and inform authorities on increasing their capability to prevent misconduct.

In 2017/18, evaluations were completed on:

- arrangements to manage misconduct and notify minor misconduct
- prevention and management of bullying (the Commission engaged KPMG to conduct this evaluation)
- integrity checking in misconduct oversight areas
- managing secondary employment risks in public authorities.

Findings from three of these evaluations were in the *State of the sectors 2017* report.

In total, the above evaluations involved 27 public authorities. By selecting samples comprising different types of authorities with a variety of workforce compositions, we sought to assure that integrity risks were being monitored and managed across all sectors.

Stakeholder engagement

In 2017/18, we undertook engagement activities with peak bodies, community organisations, senior citizen and community learning centres including the Armadale Community and Family Centre, WA Council of Social Services and Linkwest.

We focused on strengthening our relationship with the local government sector through forums, meetings and information sessions. Additionally, the Commissioner met with peak local government sector bodies.

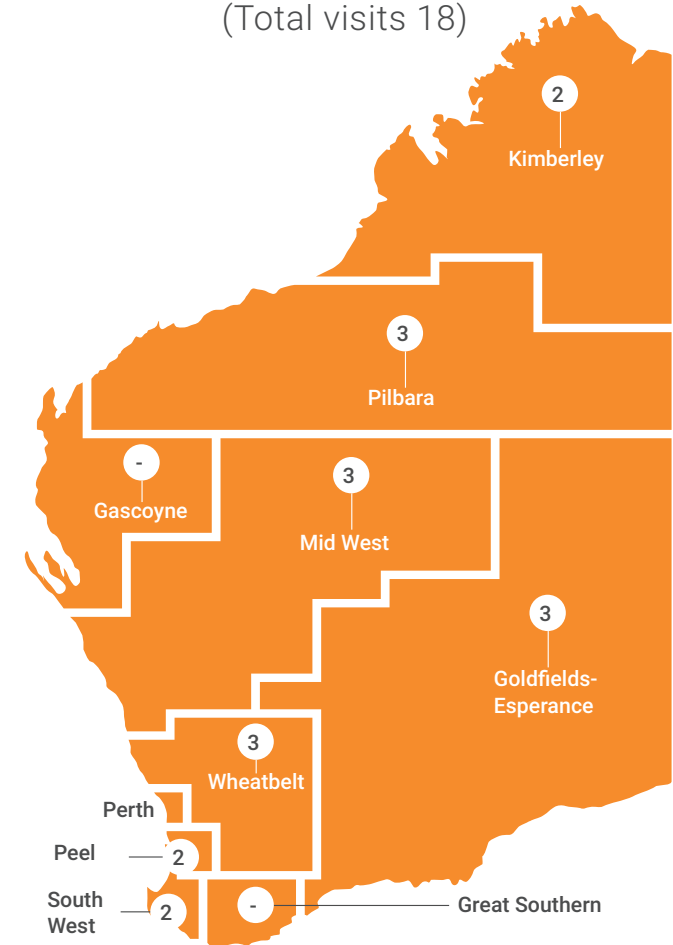
We engaged with public universities and government trading enterprises to assist them in understanding their obligations under the CCM Act and PID Act through information sessions, peer reviews of their internal policies and other consultations.

We worked with regional employees to enhance their understanding of ethics and integrity through our integrity promotion program, with a total of 18 visits to regional areas across Western Australia. This included a joint Commissioners' forum delivered in Kalgoorlie by the Commissioner and the Corruption and Crime Commissioner in September 2017.

Our visits to regional areas often included multiple sessions delivered to a variety of public authorities and trips to multiple towns within each region.

Our regional visits in 2017/18

(Total visits 18)



did you know?

We hosted delegations from the Philippines, Argentina/Paraguay, Sri Lanka and Mongolia where we shared, among other things, our approach to integrity, accountability and ethics in the Western Australian public sector.



Service 3

Oversight and reporting



Key focus areas for 2017/18 included arranging the Special Inquiry into Government Programs and Projects and releasing four Commissioner's Instructions to support the implementation of Machinery of Government changes and other reform measures.

We continued to strengthen integrity and accountability across government through our broad oversight and reporting functions by undertaking reviews, conducting investigations and assessing minor misconduct matters, breach of standards claims and matters of referral.

2017/18 in review



584 minor misconduct matters finalised



97 breach of standards claims completed



3 investigations concluded



4 reviews commenced, progressed or finalised



4 Commissioner's Instructions released



Conduct, integrity and accountability

Special inquiries

At the direction of the Premier, the Commissioner arranged for the Special Inquiry into Government Programs and Projects to be undertaken by former Under Treasurer Mr John Langoulant AO. The inquiry examined the governance arrangements and associated decision-making processes related to specific projects commenced under the previous Government. The final report was tabled in Parliament on 20 February 2018 and is on the Commission's website.

Reviews

During 2017/18, we commenced, progressed or finalised four reviews:

- A review of Advara Ltd (Advara) examined Landgate's management of perceived, potential or actual conflicts of interest during the establishment of Advara. A copy of the review report was provided to Landgate and the Minister for Lands.
- A review into the Forensic Biology department of PathWest examined a random sample of forensic results to ensure compliance with protocols and procedures. The final report was tabled in Parliament on 21 November 2017 and made three recommendations.

- A review of the arrangements for maintaining confidential information in WA Health covered current arrangements across five health service providers. The final report is expected to be tabled in 2018/19.
- A review of alleged inappropriate behaviour at the Department of Fire and Emergency Services (DFES) included consideration of the DFES's broader approach to ensuring a gender-inclusive culture and any possible barriers to female participation in the firefighting ranks. The final report will be tabled in 2018/19.

Investigations

During the reporting period, we concluded three investigations:

- one investigation under the PSM Act
- two investigations under the CCM Act.

In November 2017, we tabled a report on our investigation into the handling of a complaint at PathWest. The complaint related to the disclosure of a patient's pathology test results by a PathWest employee to a third party. The report identified several areas to improve practices.



The final report of the [Special Inquiry into Government programs](#) and projects is on our website.



Overseeing minor misconduct

Profile

In 2017/18, we received 599 minor misconduct matters, comprising 1022 allegations. Of these, 98 matters were referred from the Corruption and Crime Commission (CCC). A breakdown of these matters is in the following graphic.

Matters we received 2017/18

Source

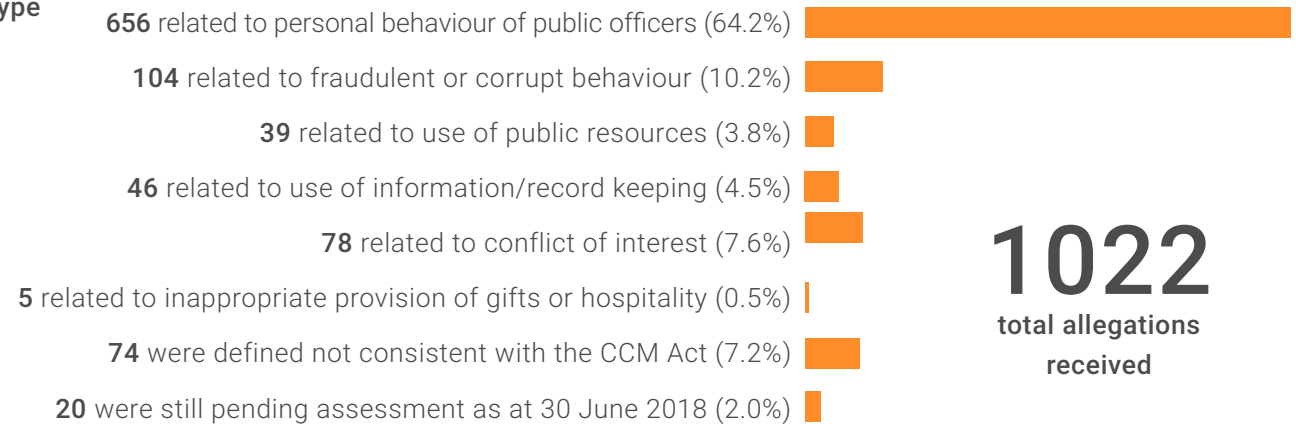


421 were notifications from public authorities (70.3%)

166 were reports from individuals (27.7%)

12 were pending at the time of report preparation (2.0%)

Type

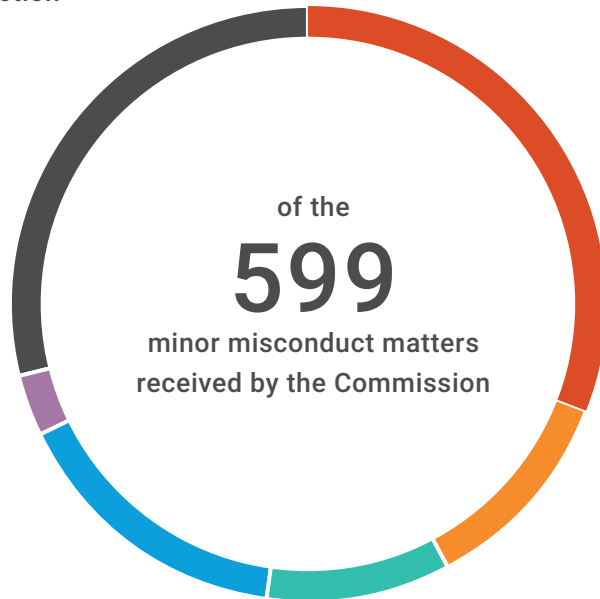


1022
total allegations
received





Action



- **186** were referred to the authority with a request to advise of the outcome of the matter (31.1%)
- **68** were referred to an appropriate third party (59 to the CCC and 9 to another appropriate third party) (11.4%)
- **60** were referred to the appropriate authority with a request to provide a report on the action taken to be reviewed by the Commission (10.0%)
- **93** were referred to the appropriate authority with no obligation to provide any further information to the Commission about the matter (15.5%)
- **20** are ongoing pending assessment or further preliminary inquiry into the matter (3.3%)
- **172** did not meet the definition of minor misconduct, or had otherwise been dealt with appropriately at the time of receipt (28.7%)

Action

When we received a matter, we carried out an initial assessment to determine the most appropriate course of action. On average, we handled minor misconduct matters in 32 days. This included the time taken to assess the matter, determine and carry out any relevant action, and review action taken on matters by public authorities where appropriate. This did not include the time taken by authorities to investigate matters.

In 2017/18, of the 599 matters received, we took no action in relation to 172 matters as they did not meet the definition of minor misconduct, or had otherwise been dealt with appropriately at the time of receipt.

Outcome

In 2017/18, we finalised 584 matters containing 1097 allegations. These matters were received both during 2017/18 and 2016/17. Of the 1097 allegations finalised, 278 were substantiated. The graphic provides a breakdown of the outcomes in relation to these substantiated allegations.

Outcome



- training, counselling or improvement (37.8%)
- termination of employment (26.3%)
- other sanctions applied (33.8%)
- no action applied (2.2%)



Ethical codes and standards

Breach of standards claims

Individuals who believe they have been adversely affected by an agency's decisions that contravenes a human resource standard may make a claim to the Commission under the Public Sector Management (Breaches of Public Sector Standards) Regulations 2005.

We completed 97 breach of standards claims in 2017/18. Of those, three were substantiated, two for the Employment Standard (Recruitment) and one for the Grievance Standard.

Matters of referral

We received unsolicited complaints, letters of concern and referrals about a range of matters involving public sector integrity, management and administration— collectively called 'matters of referral'.

Thirty six matters of referral were completed in 2017/18.

Complexity of oversight matters completed in 2017/18

The proportion of oversight matters (excluding minor misconduct) resolved within target timeframes is used as an efficiency indicator for our oversight function.

The table below details the percentage of cases in 2017/18 that fell into each category and the success rate for completing those matters within the target timeframe. Overall, percentage completion of oversight matters within timeframe slightly decreased since the last reporting period.

Oversight matters completed within timeframe (%)

Category	2017/18	2016/17
Simple (30 days)	92%	100%
Routine (50 days)	84%	91%
Complex (120 days)	88%	91%
	86%	91%

Public interest disclosure

We received five public interest disclosure matters in 2017/18 which were actioned and finalised as required by the PID Act.

Lobbyists

We continued to be responsible for administering:

- the *Integrity (Lobbyists) Act 2016* (IL Act), including the Register of Lobbyists
- the *Code of Conduct for Registrants and Lobbyists*
- *Commissioner's Instruction No. 16 - Government representatives contact with registrants and lobbyists.*

On a quarterly basis, lobbyists were required to confirm/update their registration details via our Register of Lobbyists website. This included information regarding company, lobbyist and client details. We assessed the information, ensuring changes were reflected on the Register of Lobbyists website.

On request, we also provided advice on the IL Act and related policies. To assist ministerial staff understand their obligations under the IL Act, we incorporated information on the register and IL Act in our Accountable and Ethical Decision Making training.

did you know?

There were:

118 registrants on the Register of Lobbyists as at 30 June 2018

248 individuals listed as lobbyists as at 30 June 2018

641 registration details assessed during 2017/18.



To learn more about the [Register for Lobbyists](http://lobbyists.wa.gov.au) visit lobbyists.wa.gov.au



Legislation and policy

Legislative reform

During the reporting period we led the development of the following legislative instruments. We also continued to provide advice on a range of other legislation and policy initiatives.

Salaries and Allowances Amendment (Debt and Deficit Remediation) Act 2018

The *Salaries and Allowances Amendment (Debt and Deficit Remediation) Act 2018* was passed by Parliament in February 2018 as a debt and deficit remediation measure. It amended the *Salaries and Allowances Act 1975* to introduce a pay freeze for senior government offices, posts and positions which have their remuneration set by the Salaries and Allowances Tribunal (the Tribunal).

Regulations made under the Salaries and Allowances Act 1975

We prepared Regulations under the *Salaries and Allowances Act 1975* to exclude relevant kinds or classes of remuneration from the pay freeze mentioned above. Once made, the Regulations will provide the Tribunal with discretion to apply increases in remuneration under industrial agreements, legislation and other external instruments referenced in its determinations. We also worked with the Tribunal to draft Regulations to bring the CEOs of relevant government trading enterprises within their jurisdiction, pursuant to section 7C of the *Salaries and Allowances Act 1975*. Both sets of Regulations are expected to be made and published in 2018/19.

Amendments to the Public Sector Management Act 1994 and Health Services Act 2016

We led the preparation of legislation to implement the Government's policy to restrict the 'right of return' and compensation entitlements of senior executive officers and health executives appointed under the PSM Act and/or *Health Services Act 2016*. The Bill will be introduced to Parliament in 2018/19.

Public Sector Management (Act Amendment) Regulations 2018

Following the abolition of the Independent Market Operator (IMO) on 30 April 2018, pursuant to the Electricity Industry (Independent Market Operator) Repeal Regulations 2018, we developed Regulations to remove the reference to the IMO from Schedule 1 of the PSM Act.

Other policy initiatives

Ministerial Review of the State Industrial Relations System

We made written submissions in response to both the initial invitation from the Ministerial Review and to its interim report published on 20 March 2018. These focused significantly on the impact of possible changes to the operation of the PSM Act as it deals with public sector standards, and redeployment and redundancy arrangements.

Public sector witnesses appearing before Parliamentary committees

We consulted with relevant government agencies to progress a revised *Public Sector Commissioner's Circular: 2010-03 Policy for Public Sector Witnesses Appearing Before Parliamentary Committees*, before consulting with external stakeholders.

Appearances by the Commissioner before Parliamentary committees

We continue to provide high-level information and advice to Government to strengthen public sector accountability and transparency. In 2017/18, the Commissioner or Acting Commissioner appeared before the:

- Joint Standing Committee on the Corruption and Crime Commission
- Estimates and Financial Operations Committee
- Public Administration Committee.

did you know?

During the reporting period we:

- led the development of **5** legislative instruments
- released **4** new Commissioner's Instructions
- undertook **3** additional public sector policy initiatives.



Machinery of Government

We assisted ministers and agencies in developing and implementing Machinery of Government changes pursuant to Government policy. During 2017/18, we played a role in:

- the transfer of the Office of the Government Chief Information Officer from the Department of Finance to the Department of the Premier and Cabinet, and the associated establishment of the Office of Digital Government announced by the Government on 19 June 2018
- progressing the amalgamation of Lotterywest and Healthway following the acting appointment of Ms Susan Hunt PSM as concurrent CEO in December 2017
- structural changes implemented at the Department of Fire and Emergency Services including establishing a Rural Fire Division and Bushfire Centre of Excellence as announced by the Government in February 2018
- the discussion paper released by the Government in June 2018 to establish an independent statutory office for accountability and advocacy in Aboriginal affairs in Western Australia
- representation on the Accountability Agencies Review Working Group established to clarify core responsibilities and identify opportunities for creating economies of scale and enhancing service capability
- representation on the Land Agency Reform Steering Committee established by the boards of LandCorp and the Metropolitan Redevelopment Authority (MRA) following the Government announcement in November 2017 of a number of land agency reforms including the progressive merger over two years of LandCorp and the MRA.



Our focus

Commissioner's Instructions

In 2017/18, four new Commissioner's Instructions were developed to support the implementation of Machinery of Government changes and other reform measures.

Commissioner's Instruction No. 17: Filling of Vacant Senior Executive Service (SES) offices

This Instruction was issued to assist in the Government's requirement for a 20 per cent reduction in the size of its SES cohort.

The Instruction provided that, where an agency seeks to fill a vacancy on a substantive basis, it is limited, unless specifically approved by the Commissioner, to selecting applicants from a field of existing SES officers.

Commissioner's Instruction No. 18: Arrangements for employing authorities within the Biodiversity, Conservation and Attractions portfolio to fill certain public sector vacancies

This Instruction was issued to enable the separate employing authorities administratively supported by the Department of Biodiversity, Conservation and Attractions to deploy staff in a manner consistent with transfer and internal redeployment processes applying in a single employing authority. This supported implementation of the Machinery of Government changes in that portfolio.

Commissioner's Instruction No. 19: Interim arrangements for the Department of Justice to fill certain public sector vacancies and Commissioner's Instruction No. 20: Further interim arrangements for the Department of Justice to fill certain public sector vacancies

On 27 August 2017, the Government announced the return of the Wandoo Reintegration Facility to public operation and its repurposing into a drug and alcohol rehabilitation prison for women.

To assist in transitioning the facility back to public sector operation, Commissioner's Instructions 19 and 20 provided interim arrangements for the Department of Justice to limit the advertising of certain vacancies to custodial and non-custodial officers employed at the facility by Serco Australia as at the date of the insourcing announcement.

Draft Commissioner's Instruction: Conversion and permanent appointment of fixed term and casual employees

In collaboration with the Public Sector Labour Relations Division of the Department of Mines, Industry Regulation and Safety we developed an Instruction to facilitate the Government's commitment to develop criteria to convert existing contract and casual employees with more than two years' employment to permanency. We consulted on the draft Instruction with Unions WA, public sector unions and public sector agencies.

The Instruction and supporting guidelines will be issued in 2018/19.

did you know?

The Commissioner is empowered to issue Commissioner's Instructions in relation to a range of matters relating to the management and administration of the public sector, or specific bodies within it, pursuant to section 21 and 22A of the PSM Act. Public sector bodies and employees are required to comply with the Instructions pursuant to section 9 of the Act.



Collecting and reporting data

The Commission monitors the sectors through annual surveys and quarterly workforce data collection. We rely on public authorities to provide accurate and timely data to ensure the integrity of our reporting to Parliament and the broader community.

Employee perception survey

The Commission administers an annual Employee perception survey (EPS) to a sample of public sector agencies on a rotational basis. By asking views about integrity, diversity, job satisfaction and agency culture, an indication of employee engagement and productivity in the public sector can be determined.

In 2017/18, the EPS was conducted at nine departments affected by Machinery of Government changes, covering 21 198 employees, with a response rate of 43 per cent. The aggregate results will be reported in the next reporting period.

Public sector entity survey

The Public sector entity survey (PSES) was administered in July to collect information on conduct, integrity, workforce and diversity matters across public sector agencies. It included data on breaches of ethical codes and public interest disclosures, as well as entities' prevention and education activities.

The PSES is typically administered each year in July to seek information about the previous financial year. However, due to changes occurring in the sector last year, the PSES was administered in May 2017 and, as such there was no PSES conducted in this reporting period.

Entity level responses to the PSES are published in the *State of the sectors statistical bulletin*.

Integrity and conduct survey

The Integrity and conduct survey (ICS) was also administered in July and asked local governments, public universities, GTEs and government boards and committees for information about their policies and processes on public interest disclosure, conduct, and prevention and education related activities.

Unlike the PSES, the majority of the authorities responding to the ICS were not impacted by Machinery of Government changes. As such, the ICS was administered in July 2017 with a 72 per cent response rate.

Entity level responses to the ICS are published in the *State of the sectors statistical bulletin*.

did you know?

486

authorities were approached to provide information as part of our data collection program during 2017/18



Employee perception survey

9 authorities



Public sector entity survey

N/A



Integrity and conduct survey

363 authorities



Equal employment opportunity survey

168 authorities



Human resources minimum obligatory information requirement

83 authorities



Human resources minimum obligatory information requirement (HRMOIR)

On a quarterly basis, we collected and reported HRMOIR workforce data from public sector entities. The data included demographic information of employees such as age, gender, diversity status and occupation.

HRMOIR data was used to derive public sector FTE levels; answer Parliamentary Questions, media enquiries and ad hoc data requests; support evidence-based policy formation; and other workforce related issues.

Public sector FTE levels were published in the *Quarterly workforce report* while the *State of the sectors statistical bulletin* gave key HRMOIR workforce statistics at entity and sector-wide levels.

Equal employment opportunity survey

The Equal employment opportunity (EEO) survey was administered on behalf of the Director of Equal Opportunity in Public Employment (DEOPE) and collected workforce information from public authorities that did not participate in the HRMOIR collection. These included local governments, public universities and GTEs.

This year's survey, conducted in March 2018, had a greater emphasis on understanding the barriers authorities faced in taking real action on diversity and inclusion, and what structural and cultural barriers may still be present. More information was sought on authorities' inclusive practices to retain and maximise diversity.

Aggregate data will be published in the 2018 *State of the Sectors report*.

Requests for data

We managed a number of ad hoc requests for data including requests from the Department of Treasury and Department of Finance. We also continued to respond to requests from the Government and Parliament.

Subject to confidentiality provisions and in accordance with government policy to improve transparency, de-identified data is also available at www.data.gov.au.

did you know?

Our ongoing participation on the inter-jurisdictional Workforce Data and Analytics Committee is vital in addressing common data issues and challenges. We are working with other jurisdictions to identify best practices in survey design, data collection and reporting.

Using data collected across jurisdictions, the Committee is also looking into workforce issues common across all jurisdictions such as diversity in the workplace, the 'shadow' workforce, and the aging population.



Section 4

Disclosures and legal compliance

In this section

Financial statements	51
Statement of comprehensive income	57
Statement of financial position	57
Statement of changes in equity	58
Statement of cash flows	58
Summary of consolidated account appropriations and income estimates	59
Schedule of income and expenses by service	60
Schedule of assets and liabilities by service	61
Notes to the financial statements	63
Key performance indicators	90
Key effectiveness indicators	91
Key efficiency indicators	93
Other legal and policy requirements	95
Disability access and inclusion plan	95
Substantive equality	95
Record keeping plan	95
Electoral Act 1907 Section 175ZE	95
Compliance with public sector standards and ethical codes	96
Occupational safety and health	96
Freedom of information	98
Salaries and Allowances Tribunal	98

Financial statements

Certification of financial statements for the year ended 30 June 2018

The accompanying financial statements of the Public Sector Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2018 and the financial position as at 30 June 2018.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



SHARYN O'NEILL
PUBLIC SECTOR
COMMISSIONER

9 August 2018



TERESA YOW
A/CHIEF FINANCE
OFFICER

9 August 2018

Contents for financial statements

	Page
Certification of financial statements	51
Independent auditor's report	52
Statement of comprehensive income	57
Statement of financial position	57
Statement of changes in equity	58
Statement of cash flows	58
Summary of consolidated account appropriations and income estimates	59
Schedule of income and expenses by service	60
Schedule of assets and liabilities by service	61
Notes to the financial statements	63



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

PUBLIC SECTOR COMMISSION

Report on the Financial Statements

Opinion

I have audited the financial statements of the Public Sector Commission which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Public Sector Commission for the year ended 30 June 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Public Sector Commissioner for the Financial Statements

The Public Sector Commissioner is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Public Sector Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Public Sector Commissioner is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Public Sector Commissioner.
- Conclude on the appropriateness of the Public Sector Commissioner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Public Sector Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Public Sector Commission. The controls exercised by the Commission are those policies and procedures established by the Public Sector Commissioner to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Public Sector Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2018.

The Public Sector Commissioner's Responsibilities

The Public Sector Commissioner is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Public Sector Commission for the year ended 30 June 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Public Sector Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2018.

The Public Sector Commissioner's Responsibility for the Key Performance Indicators

The Public Sector Commissioner is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Public Sector Commissioner determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Public Sector Commissioner is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Public Sector Commission for the year ended 30 June 2018 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
14 August 2018

Statement of comprehensive income

For the year ended 30 June 2018

	Note	2018 \$000	2017 \$000
Cost of services			
Expenses			
Employee benefits expense	4	18 223	18 607
Supplies and services	6	3044	4263
Depreciation and amortisation expense	7	46	60
Accommodation expenses	8	2468	2401
Grants and subsidies	9	1042	890
Loss on disposal of non-current assets	10	73	1
Other expenses	11	56	63
Total cost of services		24 952	26 285
Income			
<i>Revenue</i>			
User charges and fees	13	96	137
Other revenue	14	186	331
Total revenue		282	468
Total income other than income from State Government		282	468
Net cost of services		24 670	25 817
Income from State Government			
Service appropriation		25 063	26 636
Services received free of charge		1053	1244
Royalties for Regions Fund		22	35
Total income from State Government	15	26 138	27 915
Surplus/(deficit) for the period		1468	2098
Total comprehensive income for the period		1468	2098

See also the 'Schedule of Income and Expenses by Service'.
The 'Statement of Comprehensive Income' should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2018

	Note	2018 \$000	2017 \$000
Assets			
Current assets			
Cash and cash equivalents	27	10 927	12 710
Receivables	17	565	831
Amounts receivable for services	18	104	138
Other current assets	19	228	381
Total current assets		11 824	14 060
Non-current assets			
Restricted cash and cash equivalents	16	123	62
Amounts receivable for services	18	6879	6890
Property, plant and equipment	20	106	205
Intangible assets	21	-	-
Other non-current assets	19	-	58
Total non-current assets		7108	7215
Total assets		18 932	21 275
Liabilities			
Current liabilities			
Payables	23	1017	1293
Employee related provisions	24	4154	4613
Other current liabilities	25	114	50
Total current liabilities		5285	5956
Non-current liabilities			
Employee related provisions	24	531	740
Total non-current liabilities		531	740
Total liabilities		5816	6696
Net assets		13 116	14 579
Equity			
Accumulated surplus/(deficit)	26	13 116	14 579
Total equity		13 116	14 579

See also the 'Schedule of Assets and Liabilities by Service'.
The 'Statement of Financial Position' should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2018

	Note	Contributed equity \$000	Accumulated surplus/(deficit) \$000	Total equity \$000
Balance as at 1 July 2016		-	12 481	12 481
Surplus/(deficit)		-	2098	2098
Total comprehensive income for the period		-	2098	2098
Balance as at 30 June 2017	26	-	14 579	14 579
Balance as at 1 July 2017		-	14 579	14 579
Surplus/(deficit)		-	1468	1468
Total comprehensive income for the period		-	1468	1468
Transactions with owners in their capacity as owners:				
<i>Distribution to owners - Transfer of surplus cash to the Consolidated Account</i>		-	(2931)	(2931)
Total		-	(2931)	(2931)
Balance as at 30 June 2018	26	-	13 116	13 116

The 'Statement of Changes in Equity' should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2018

	Note	2018 \$000	2017 \$000
Cash flows from State Government			
Service appropriation		24 882	26 421
Holding account drawdown		226	173
Non-retained revenue distributed to owner		(2931)	-
Royalties for Regions Fund		22	35
Net cash provided by State Government		22 199	26 629
<i>Utilised as follows</i>			
Cash flows from operating activities			
Payments			
Employee benefits		(19 167)	(18 653)
Supplies and services		(2278)	(3350)
Accommodation		(2468)	(2048)
Grants and subsidies		(609)	(895)
GST payments on purchases		(503)	(615)
Receipts			
User charges and fees		93	110
GST receipts on sales		17	53
GST receipts from taxation authority		451	1062
Other receipts		552	331
Net cash provided by/(used in) operating activities	27	(23 912)	(24 005)
Cash flows from investing activities			
Payments			
Purchase of non-current assets		(9)	(43)
Net cash provided by/(used in) investing activities		(9)	(43)
Net increase/(decrease) in cash and cash equivalents		(1722)	2581
Cash and cash equivalents at the beginning of period		12 772	10 191
Cash and cash equivalents at the end of period	27	11 050	12 772

The 'Statement of Cash Flows' should be read in conjunction with the accompanying notes.

Summary of consolidated account appropriations and income estimates

For the year ended 30 June 2018

	2018 Estimate \$000	2018 Actual \$000	Variance \$000	2018 Actual \$000	2017 Actual \$000	Variance \$000
Delivery of services						
Item 6 - Net amount appropriated to deliver services	24 360	24 272	88	24 272	25 730	(1458)
Amount authorised by Other Statutes						
- <i>Salaries and Allowances Act 1975</i>	906	791	115	791	906	(115)
Total appropriations provided to deliver services	25 266	25 063	203	25 063	26 636	(1573)
Details of expenses by service						
Service 1 - Public sector leadership	6389	5623	766	5623	5957	(334)
Service 2 - Assistance and support	8565	11 293	(2728)	11 293	9538	1755
Service 3 - Oversight and reporting	12 164	8036	4128	8036	10 790	(2754)
Total cost of services	27 118	24 952	2166	24 952	26 285	(1333)
Less total income	(393)	(282)	(111)	(282)	(468)	186
Net cost of services	26 725	24 670	2055	24 670	25 817	(1147)
Adjustments	(1459)	393	(1852)	393	819	(426)
Total appropriations provided to deliver services	25 266	25 063	203	25 063	26 636	(1573)
Capital expenditure						
Purchase of non-current assets	138	9	129	9	43	(34)
Adjustments for other funding sources	(138)	(9)	(129)	(9)	(43)	34
Capital appropriations	-	-	-	-	-	-

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Note 31 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2018 and between actual results for 2018 and 2017.

Schedule of income and expenses by service

For the year ended 30 June 2018

	Service 1 Public sector leadership		Service 2 Assistance and support		Service 3 Oversight and reporting		Total	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Cost of services								
Expenses								
Employee benefits expense	3720	3857	8266	7329	6237	7421	18 223	18 607
Supplies and services	728	1067	1494	1123	822	2073	3044	4263
Depreciation and amortisation expense	7	16	14	13	25	31	46	60
Accommodation expenses	569	434	1013	833	886	1134	2468	2401
Grants and subsidies	576	570	466	221	-	99	1042	890
Carrying amount of non-current assets disposed	11	1	19	-	43	-	73	1
Other expenses	12	12	21	19	23	32	56	63
Total cost of services	5623	5957	11 293	9538	8036	10 790	24 952	26 285
Income								
User charges and fees	93	135	1	1	2	1	96	137
Other revenue	122	213	39	52	25	66	186	331
Total income other than income from State Government	215	348	40	53	27	67	282	468
Net cost of services	5409	5609	11 252	9485	8009	10 723	24 670	25 817
Income from State Government								
Service appropriation	5400	6021	11 250	9007	8413	11 608	25 063	26 636
Services received free of charge	228	218	455	429	370	597	1053	1244
Royalties for Regions Fund	22	35	-	-	-	-	22	35
Total income from State Government	5650	6274	11 705	9436	8783	12 205	26 138	27 915
Surplus/(deficit) for the period	241	665	453	(49)	774	1482	1468	2098

The 'Schedule of Income and Expense by Service' should be read in conjunction with the accompanying notes.

Schedule of assets and liabilities by service

As at 30 June 2018

	Service 1 Public sector leadership		Service 2 Assistance and support		Service 3 Oversight and reporting		Total	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Assets								
Current assets	2200	2496	5105	4442	4519	7122	11 824	14 060
Non-current assets	1337	1184	2912	2196	2859	3835	7108	7215
Total assets	3537	3680	8017	6638	7378	10 957	18 932	21 275
Liabilities								
Current liabilities	954	940	2182	2652	2149	2364	5285	5956
Non-current liabilities	132	168	188	309	211	263	531	740
Total liabilities	1086	1108	2370	2961	2360	2627	5816	6696
Net assets	2451	2572	5647	3677	5018	8330	13 116	14 579

The 'Schedule of Assets and Liabilities by Service' should be read in conjunction with the accompanying notes.

Index of notes to the financial statements

No.	Title	Page
1	Basis of preparation	63
2	Agency outputs	64
3	Other disclosures	64
4	Employee benefits expense	66
5	Key management personnel	67
6	Supplies and services	68
7	Depreciation and amortisation expense	68
8	Accommodation expenses	69
9	Grants and subsidies	69
10	Loss on disposal of non-current assets	70
11	Other expenses	70
12	Related party transactions	71
13	User charges and fees	71
14	Other revenue	72
15	Income from State Government	72
16	Restricted cash and cash equivalents	73
17	Receivables	73
18	Amounts receivable for services (holding account)	73
19	Other assets	74
20	Property, plant and equipment	74
21	Intangible assets	75
22	Impairment of assets	76
23	Payables	76

No.	Title	Page
24	Employee-related provisions	77
25	Other liabilities	78
26	Equity	78
27	Notes to the statement of cash flows	79
28	Services provided free of charge	79
29	Commitments	80
30	Remuneration of auditor	80
31	Explanatory statement	81
32	Financial instruments	85
33	Events occurring after the end of the reporting period	89
34	Affiliated bodies	89
35	Contingent liabilities and contingent assets	89
36	Supplementary financial information	89

Notes to the financial statements

Note 1 Basis of preparation

The Commission is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Commission is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Commissioner of the Public Sector Commission on 9 August 2018.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006* (FMA)
- 2) The Treasurer's Instructions (the Instructions or TI)
- 3) Australian Accounting Standards (AAS) including applicable interpretations
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by Treasurer's Instruction 955 Contributions by Owners Made to Wholly Owned Public Sector Entities and have been credited directly to Contributed Equity.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfer is non-discretionary and non-reciprocal.

Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current reporting period.

Note 2 Agency outputs

Mission

The Commission's mission is to lead and promote excellence and integrity in the public sector.

The Commission is predominantly funded by Parliamentary appropriations. It provides training services on a fee-for-service basis. The fees charged are determined on a cost-recovery basis unless subsidised by the Commission and agreed upon with Treasury.

Services

The Commission provides the following services.

Service 1 - Public sector leadership - This service develops and supports current and future leaders and builds the capacity of the public sector workforce through the delivery of leadership and workforce development products, programs and training.

Service 2 - Assistance and support - This service provides advice, assistance and support to public sector bodies and employees on a range of administration, management, integrity and governance matters.

Service 3 - Oversight and reporting - This service progresses changes to legislation and develops policies to improve public administration and management and provides independent oversight to monitor and report to the Parliament and Ministers on compliance with the *Public Sector Management Act 1994*, the *Corruption, Crime and Misconduct Act 2003*, the *Public Interest Disclosure Act 2003* and part IX of the *Equal Opportunity Act 1984*.

Note 3 Other disclosures

Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction 1101 'Application of Australian Accounting Standards and Other Pronouncements' or by an exemption from TI 1101. Where applicable, the Commission plans to apply the following Australian Accounting Standards from their application date.

AASB 9 - Financial Instruments

Operative for reporting periods beginning on/after **1 January 2018**

This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.

The Commission has not yet determined the application or the potential impact of the Standard.

AASB 15 Revenue from Contracts with Customers

Operative for reporting periods beginning on/after **1 January 2019**

This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.

The Commission's income is principally derived from appropriations which will be measured under AASB 1058 Income of Not-for-Profit Entities and will be unaffected by this change. However, the Commission has not yet determined the potential impact of the Standard on 'User charges and fees' revenue. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Commission has discharged its performance obligations.

AASB 16 Leases

Operative for reporting periods beginning on/after **1 January 2019**

This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating lease commitments for \$12.2 million worth of non-cancellable operating leases which will mostly be brought onto the Statement of Financial Position. Interest and amortisation expense will increase and rental expense will decrease.

AASB 1058 Income of Not-for-Profit Entities

Operative for reporting periods beginning on/after **1 January 2019**

This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an agency. The Commission anticipates that the application will not materially impact appropriations or untied grant revenues.

AASB 2010-7 - Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]

Operative for reporting periods beginning on/after **1 January 2018**

This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.

The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2014-1 - Amendments to Australian Accounting Standards

Operative for reporting periods beginning on/after **1 January 2018**

Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Commission to determine the application or potential impact of the Standard.

AASB 2014-5 - Amendments to Australian Accounting Standards arising from AASB 15

Operative for reporting periods beginning on/after **1 January 2018**

This Standard gives effect to the consequential amendments to other Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2014-7 - Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

Operative for reporting periods beginning on/after **1 January 2018**

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2015-8 - Amendments to Australian Accounting Standards – Effective Date of AASB 15

Operative for reporting periods beginning on/after **1 January 2018**

This Standard amends the mandatory application date of AASB 15 to 1 January 2018 (instead of 1 January 2017). It also defers the consequential amendments that were originally set out in AASB 2014-5. The Commission has not yet determined the application or the potential impact of AASB 15.

AASB 2016-3 - Amendments to Australian Accounting Standards – Clarifications to AASB 15

Operative for reporting periods beginning on/after **1 January 2018**

This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and provides further transitional provisions to AASB 15. The Commission has not yet determined the application or the potential impact when the deferred AASB 15 becomes effective from 1 January 2019.

AASB 2016-7 - Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities

Operative for reporting periods beginning on/after **1 January 2018**

This Standard defers, for not-for-profit entities, the mandatory application date of AASB 15 to 1 January 2019, and the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this standard.

AASB 2016- 8 - Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities

Operative for reporting periods beginning on/after **1 January 2019**

This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.

Note 4 Employee benefits expense

	2018 \$000	2017 \$000
Wages and salaries	14 476	15 264
Termination benefits	2214	1725
Superannuation - defined contribution plans ^(a)	1533	1618
Total employee benefits expense	18 223	18 607

(a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

Wages and Salaries

Employee expenses includes all costs related to employment including wages and salaries, fringe benefit tax, leave entitlements and workers' compensation payments to employees.

Termination benefits

Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the agency is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation

The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employee contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by GESB.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

The Commission does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the agency to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Employment on-costs expenses such as workers' compensation insurance are included at Note 11 'Other expenses'.

Employment on-costs liability is included at Note 24 'Employee-related provisions'.

Note 5 Key management personnel

The Commission has determined that key management personnel to include Cabinet Ministers and senior officers of the Commission. The Commission does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Commission for the reporting period are presented within the following bands:

	2018 \$000	2017 \$000
Compensation Band (\$)		
530 001 - 540 000	-	1
390 001 - 400 000	-	1
370 001 - 380 000	1	-
360 001 - 370 000	1	-
280 001 - 290 000	-	-
220 001 - 230 000	-	2
210 001 - 220 000	-	-
170 001 - 180 000	-	1
160 001 - 170 000	-	-
150 001 - 160 000	-	-
140 001 - 150 000	-	1
130 001 - 140 000	-	1
120 001 - 130 000	1	1
110 001 - 120 000	1	-
100 001 - 110 000	1	-
90 001 - 100 000	1	-
80 001 - 90 000	1	1
70 001 - 80 000	1	-
60 001 - 70 000	2	-
40 001 - 50 000	1	-
30 001 - 40 000	1	-
	2018 \$000	2017 \$000
Short-term employee benefits	1316	1599
Post-employment benefits	150	195
Other long-term benefits	62	35
Termination benefits	-	214
Total compensation of senior officers	1528	2043

Note 6 Supplies and services

	2018 \$000	2017 \$000
Communications	36	39
Consultants and contractors	2051	2838
Consumables	232	324
Repair and maintenance	41	54
Travel	51	54
Insurance premiums	101	92
Licences, fees and registration	162	138
Operating lease, rental and hire cost	97	127
Non-staff training initiatives	208	503
Other	65	94
Total supplies and services	3044	4263

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

The Commission holds operating leases for its motor vehicles. Operating lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the vehicles.

Note 7 Depreciation and amortisation expense

	2018 \$000	2017 \$000
Depreciation		
Leasehold improvement	16	23
Computer hardware	2	2
Furniture and fittings	6	5
Office equipment	22	30
Total depreciation	46	60
Total depreciation and amortisation	46	60

Finite useful lives

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

- Computer Hardware - 3 years
- Office Equipment - 5 years
- Leasehold Improvement - 5 to 10 years dependent on the life of the lease
- Furniture, Fixtures and Fittings - 10 years.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Commission have a finite useful life and zero residual value.

The expected useful lives for each class of intangible asset are:

- Software ^(a) - 3 years
- Licences - 3 years.

(a) Software that is not integral to the operation of any related hardware.

Note 8 Accommodation expenses

	2018 \$000	2017 \$000
Lease rentals	2468	2401
Total accommodation expenses	2468	2401

Accommodation expenses

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. [AASB 117.33]

The Commission holds operating leases for its office accommodation. Operating lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased property.

Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

Note 9 Grants and subsidies

	2018 \$000	2017 \$000
Government agency grants	355	220
Scholarships	10	27
External grants	677	643
Total grants expense	1042	890

	2018 \$000	2017 \$000
Grants to government agencies - (refer also to Note 12 'Related party transactions')		
Department of the Premier and Cabinet	303	1
Department of Education	11	1
Department of Health of WA	6	12
Department of Transport	6	11
Department of Communities	5	-
Western Australia Police	4	4
WA Country Health Service	4	2
South Metropolitan TAFE	3	7
WA Country Health Service - Kimberley	3	5
Department of Jobs, Tourism, Science and Innovations	3	5
Workcover WA	2	2
Department of Primary Industries and Regional Development	2	6
Department of Finance	1	12
Department of Mines, Industry Regulation and Safety	1	4
Health Support Services	1	-
Office of Emergency Management	-	142
Department of Treasury	-	2
North Metropolitan Health Service	-	2
Department of Justice	-	1
North Regional TAFE	-	1
Total	355	220

Transactions in which the agency provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

Note 10 Loss on disposal of non-current assets

	2018 \$000	2017 \$000
<u>Net proceeds from disposal of non-current assets</u>		
Office equipment and Leasehold improvement	-	-
<u>Carrying amount of non-current assets disposed</u>		
Office equipment and Leasehold improvement	(73)	(1)
Net gain/(loss)	(73)	(1)

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sale).

Note 11 Other expenses

	2018 \$000	2017 \$000
Employment on-costs	(3)	1
Professional services	58	58
Bad Debts - Written Off	1	2
Doubtful debts expense	-	2
Total other expenses	56	63

Employee on-cost

Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 24 Employee related provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Professional services

Includes Audit fees, see also Note 30 'Remuneration of auditor'.

Doubtful debt expense

Recognised as the movement in the provision for doubtful debt. Please refer to note 17 Movement of the allowance for impairment of receivables.

Note 12 Related party transactions

The Commission is a wholly-owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Commission include:

- all Cabinet Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e wholly-owned public sector entities);
- associates and joint ventures of wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Significant Transactions with Government-related entities

In conducting its activities, the Commission is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- income from State Government (Note 15);
- equity (Note 26);
- superannuation payments to GESB (Note 4);
- lease rentals payments to the Department of Finance (Note 6 and 8);
- insurance payments to the Insurance Commission and Riskcover fund (Note 6);
- grants (Note 9); and
- remuneration for services provided by the Auditor General (Note 11).

Material transactions with other related parties

Outside of normal citizen type transactions with the Commission, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

Note 13 User charges and fees

	2018 \$000	2017 \$000
Fees	96	137
Total charges and fees	96	137

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Revenue is recognised by reference to the stage of completion of the transaction.

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Commission. In accordance with the most recent determination, as quantified in the 2017-18 Budget Statements, the Commission retained \$895 000 (\$898 000 in 2017) from the following:

- Proceeds from fees and charges
- GST Input Credits
- GST Receipts on Sales
- Other Receipts.

Note 14 Other revenue

	2018 \$000	2017 \$000
Recoups	36	68
Contributions by senior officers to the Government Vehicle Scheme	20	28
Australian Apprenticeships Incentive Program	113	197
Other miscellaneous revenue	17	38
Total other revenue	186	331

Grants and other non-reciprocal contributions

Revenue is recognised at fair value when the Commission obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased, if not donated.

Note 15 Income from State Government

	2018 \$000	2017 \$000
Appropriation received during the period		
Service appropriation ^(a)	25 063	26 636
Services received free of charge from other State Government agencies during the period:		
Department of the Premier and Cabinet - corporate support services ^(c)	537	710
Department of Finance - accommodation lease services ^(c)	404	353
Department of Transport - planning services ^(c)	-	2
Department of the Attorney General - legal services. ^(c)	112	179
	1053	1244

	2018 \$000	2017 \$000
Royalties for Regions Fund		
Regional Community Services Account ^(b)	-	-
Regional Workers Incentive	22	35
	22	35
Total income from State Government	26 138	27 915

(a) **Service appropriations** are recognised as revenues at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited into the Commission's bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Service appropriations fund the net cost of services (as set out in the Schedule of income and expenses by service). Appropriation revenue comprises the following:

- Cash component; and
- A receivable (asset)

The receivable (holding account - note 18) comprises the following:

- The budgeted depreciation expense for the year; and
- Any agreed increase in leave liabilities during the year.

(b) **The Regional Community Services Account** is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as revenue when the Commission gains control on receipt of the funds.

(c) **Assets or services received free of charge or for nominal cost**, that the Commission would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

Note 16 Restricted cash and cash equivalents

	2018 \$000	2017 \$000
Non-Current		
Accrued salaries suspense account ^(a)	123	62
Balance at end of period	123	62

(a) Amount held in the suspense account is for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

Note 17 Receivables

	2018 \$000	2017 \$000
Current		
Receivables	453	626
GST receivable	68	34
	521	660
Other debtors	48	186
Allowance for impairment of receivables	(4)	(15)
	44	171
Total current	565	831

The Commission does not hold any collateral or other credit enhancements as security for receivables.

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

	2018 \$000	2017 \$000
Movement of the allowance for impairment of receivables		
Reconciliation of changes in the allowance for impairment of receivables		
Balance at start of period	15	17
Doubtful debts expense	-	2
Amounts written off during the period	(11)	(4)
Impairment losses reversed during the period	-	-
Balance at end of period	4	15

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts.

Note 18 Amounts receivable for services (holding account)

	2018 \$000	2017 \$000
Current	104	138
Non-current	6879	6890
Balance at end of period	6983	7028

Amount receivables for services represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

The Commission receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

Note 19 Other assets

	2018 \$000	2017 \$000
Current		
Prepayments	228	381
Total current	228	381
Non-Current		
Prepayments	-	58
Total non-current	-	58
Balance at end of period	228	439

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Note 20 Property, plant and equipment

	2018 \$000	2017 \$000
Computer hardware		
At cost	29	29
Accumulated depreciation	(29)	(27)
	-	2
Office equipment		
At cost	161	177
Accumulated depreciation	(120)	(123)
	41	54
Leasehold improvement		
At cost	31	181
Accumulated depreciation	(11)	(72)
	20	109

	2018 \$000	2017 \$000
Furniture and fittings		
At cost	57	46
Accumulated depreciation	(12)	(6)
	45	40
Total property, plant and equipment	106	205

	2018 \$000	2017 \$000
Reconciliation - Computer hardware		
Carrying amount at start of period	2	4
Additions	-	-
Depreciation	(2)	(2)
Carrying amount at end of period	-	2
Reconciliation - Office equipment		
Carrying amount at start of period	54	73
Additions	9	12
Other disposals	-	(1)
Depreciation	(22)	(30)
Carrying amount at end of period	41	54
Reconciliation - Leasehold improvements		
Carrying amount at start of period	109	109
Additions	-	23
Depreciation	(16)	(23)
Other disposals	(73)	-
Carrying amount at end of period	20	109
Reconciliation - Furniture and fittings		
Carrying amount at start of period	40	38

	2018 \$000	2017 \$000
Additions	11	7
Depreciation	(6)	(5)
Carrying amount at end of period	45	40
Reconciliation - Total		
Carrying amount at start of period	205	224
Additions	20	42
Other disposals	(73)	(1)
Depreciation	(46)	(60)
Carrying amount at end of period	106	205

Initial recognition

Items of property, plant and equipment costing \$5000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at fair value at the date of acquisition. Items of property, plant and equipment costing less than \$5000 are immediately expensed direct to the 'Statement of Comprehensive Income' (other than where they form part of a group of similar items which are significant in total).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

The Commission does not hold land, buildings or infrastructure assets. All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Note 21 Intangible assets

	2018 \$000	2017 \$000
Licences		
At cost	310	310
Accumulated amortisation	(310)	(310)
Carrying amount at end of period	-	-
Computer software		
At cost	230	230
Accumulated amortisation	(230)	(230)
Carrying amount at end of period	-	-
Total intangible assets	-	-

Initial recognition

Acquisitions of intangible assets costing \$5000 or more and internally generated intangible assets costing \$50 000 or more are that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Cost incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Note 22 Impairment of assets

There were no indications of impairment to property, plant and equipment and intangible assets as at 30 June 2018. The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period.

Impairment of assets

Property, plant and equipment and intangible assets are tested for any indication of impairment whenever there is an indication that the assets may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss.

Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

Note 23 Payables

	2018 \$000	2017 \$000
Current		
Payables	254	750
Accrued salaries	53	63
Accrued expenses	710	480
Balance at end of period	1017	1293

Payables are recognised at the amounts payable when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see note 16 'Restricted cash and cash equivalents') consists of amounts paid annually, from agency appropriations for salaries expense, into Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

Note 24 Employee-related provisions

	2018 \$000	2017 \$000
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.		
Current		
Employee benefits provision	1223	1487
Annual leave ^(a)	2910	3103
Long service leave ^(b)	4133	4590
Other provisions	21	23
Employment on-costs ^(c)	4154	4613
Non-current		
Employee benefits provision		
Long service leave ^(b)	528	736
	528	736
Other provisions		
Employment on-costs ^(c)	3	4
	531	740

(a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows.

Within 12 months of the end of the reporting period.	825	1 087
More than 12 months after the end of the reporting period.	398	400
	1223	1487

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

	2018 \$000	2017 \$000
(b) Long service leave liabilities: Unconditional long service leave provisions are classified as current liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.		
Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.		
Assessments indicate that actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period.	1586	1593
More than 12 months after the end of the reporting period.	1852	2246
	3438	3839

The long service leave liabilities are calculated at present value as the Commission does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(c) **Employment on-costs:** The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 11 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Commission's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2018 \$000	2017 \$000
Employment on-cost provision		
Carrying amount at start of period	27	26
Additional provisions recognised	-	1
Payments/other sacrifices of economic benefits	(3)	-
Carrying amount at end of period	24	27

Key sources of estimation uncertainty - long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimations and assumptions used in calculating the Commission’s long service leave provision. These include:

- Expected future salary rates,
- Discount rates,
- Employee retention rates, and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

Note 25 Other liabilities

	2018 \$000	2017 \$000
Current		
Income received in advance	114	50
Balance at end of period	114	50

Note 26 Equity

The Western Australian Government holds the equity interest in the Commission on behalf of the community. Equity represents the residual interest in the net assets of the Commission.

	2018 \$000	2017 \$000
Contributed equity		
Balance at start of period	-	-
<u>Contributions by owners</u>		
Capital appropriations	-	-
Total contributions by owners	-	-
<u>Distributions to owners</u>		
Transfer of surplus cash to the Consolidated Account	(2931)	-
Total distributions to owners	(2931)	-
Transfer of debit balance to Accumulated Surplus	2931	-
Balance at end of period	-	-
Accumulated surplus/(deficit)		
Balance at the start of period	14 579	12 481
Transfer of debit balance to Accumulated Surplus	(2931)	-
Result for the period	1468	2098
Balance at end of period	13 116	14 579
Total Equity at the end of the period	13 116	14 579

Note 27 Notes to the statement of cash flows

	2018 \$000	2017 \$000
Reconciliation of cash		
Cash at the end of the financial year as shown in the 'Statement of Cash Flows' is reconciled to the related items in the 'Statement of Financial Position' as follows.		
Cash and cash equivalents	10 927	12 710
Restricted cash and cash equivalents (see Note 16)	123	62
	11 050	12 772

For the purpose of the 'Statement of Cash Flows', cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Net cost of services	(24 670)	(25 817)
Non-cash items		
Depreciation and amortisation expense (see Note 7)	46	60
Services received free of charge (see Note 15)	1043	1244
Loss on disposal of property, plant and equipment (Note 10)	73	1
(Increase)/decrease in assets		
Current receivables ^(a)	300	(162)
Other current assets	153	41
Other non-current assets	58	46
Increase/(decrease) in liabilities		
Current payables ^(a)	(212)	75
Current provisions	(459)	181
Non-current provisions	(209)	(176)
Net GST receipts/(payments) ^(b)	(35)	502

	2018 \$000	2017 \$000
Change in GST in receivables/payables ^(c)	-	-
Net cash provided by/(used in) operating activities	(23 912)	(24 005)

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received, i.e. cash transactions.

(c) This reverses out the GST in receivables and payables.

Note 28 Services provided free of charge

During the period the following services were provided to other agencies free of charge for functions outside the normal operations of the Commission.

	2018 \$000	2017 \$000
Office of Emergency Management		
Accommodation and Utilities	-	147
Salaries and Allowances Tribunal		
Corporate Services	21	20
	21	167

Note 29 Commitments

The commitments below are inclusive of GST.

	2018 \$000	2017 \$000
Non-cancellable operating lease commitments		
Commitments for minimum lease payments are payable as follows.		
Within 1 year	3309	2080
Later than 1 year and not later than 5 years	6735	39
	10 044	2119

The Commission entered into Memorandum of Understandings (MoUs) with the Department of Finance - Building Management and Works for office accommodation with a three year and 5 month terms in February 2018, with no extension options. Provisions in the MoUs require market rental review dates on 1 July 2019 and 1 July 2021.

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows.

Within 1 year	-	-
	-	-
Other expenditure commitments, being contracted for supplies and services at the end of the reporting period but not recognised as liabilities, are payable as follows.		
Within 1 year	1506	1093
Later than 1 year and not later than 5 years	667	142
	2173	1235

Judgements made by management in applying accounting policies - Operating lease commitments

The Commission has entered into a number of leases for office accommodation and fleet vehicles and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

Note 30 Remuneration of auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows.

	2018 \$000	2017 \$000
Auditing the accounts, financial statements and performance indicators	58	58
Total remuneration of auditor	58	58

Note 31 Explanatory statement: Statement of comprehensive income (Controlled operations)

All variances between estimates (original budget) and actual results for 2018, and between the actual results for 2018 and 2017 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- 5% and \$525,000 for the Statements of Comprehensive Income and Cash Flows, and
- 5% and \$369,000 for the Statement of Financial Position.

	Variance Note	Original Budget 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between Budget and Actual for 2018 \$000	Variance between actual results for 2018 and 2017 \$000
Employee benefits expense	1	19 339	18 223	18 607	(1116)	(384)
Supplies and services	2, A	4421	3044	4263	(1377)	(1219)
Depreciation and amortisation expense		181	46	60	(135)	(14)
Accommodation expenses		2329	2468	2401	139	67
Grants and subsidies		591	1042	890	451	152
Loss on disposal of non-current assets		-	73	1	73	72
Other expenses		257	56	63	(201)	(7)
Total cost of services		27 118	24 952	26 285	(2166)	(1333)
Income						
Revenue						
User charges and fees		285	96	137	(189)	(41)
Other revenue		108	186	331	78	(145)
Total revenue		393	282	468	(111)	(186)
Total income other than income from State Government		393	282	468	(111)	(186)
Net cost of services		26 725	24 670	25 817	(2055)	(1147)
Income from State Government						
Service appropriation	B	25 266	25 063	26 636	(203)	(1573)
Services received free of charge		1346	1053	1244	(293)	(191)
Royalties for Regions Fund		35	22	35	(13)	(13)
Total income from State Government		26 647	26 138	27 915	(509)	(1777)
Surplus/(deficit) for the period		(78)	1468	2098	1546	(630)
Total comprehensive income for the period		(78)	1468	2098	1546	(630)

Note 31 Explanatory statement: Statement of financial position (Controlled operations)

	Variance Note	Original Budget 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between estimate and actual 2018 \$000	Variance between actual results for 2018 and 2017 \$000
Assets						
Current assets						
Cash and cash equivalents		9686	10 927	12 710	1241	(1783)
Receivables		602	565	831	(37)	(266)
Amounts receivable for services		104	104	138	-	(34)
Other current assets	3	831	228	381	(603)	(153)
Total current assets		11 223	11 824	14 060	601	(2236)
Non-current assets						
Restricted cash and cash equivalents		138	123	62	(15)	61
Amounts receivable for services		6967	6879	6890	(88)	(11)
Property, plant and equipment		73	106	205	33	(99)
Intangible assets		-	-	-	-	-
Other non-current assets		66	-	58	(66)	(58)
Total non-current assets		7244	7108	7215	(136)	(107)
Total assets		18 467	18 932	21 275	465	(2343)
Liabilities						
Current liabilities						
Payables		791	1017	1293	226	(276)
Employee-related provisions	C	4411	4154	4613	(257)	(459)
Other current liabilities		163	114	50	(49)	64
Total current liabilities		5365	5285	5956	(80)	(671)
Non-current liabilities						
Employee-related provisions	4	911	531	740	(380)	(209)
Other non-current liabilities		5	-	-	(5)	-
Total non-current liabilities		916	531	740	(385)	(209)
Total liabilities		6281	5816	6696	(465)	(880)
Net assets		12 186	13 116	14 579	930	(1463)
Equity						
Accumulated surplus/(deficit)		12 186	13 116	14 579	930	(1463)
Total equity		12 186	13 116	14 579	930	(1463)

Note 31 Explanatory statement: Statement of cash flows (Controlled operations)

	Variance Note	Original Budget 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between estimate and actual 2018 \$000	Variance between actual results for 2018 and 2017 \$000
Cash flows from State Government						
Service appropriation	B	25 085	24 882	26 421	(203)	(1539)
Holding account drawdown		138	226	173	88	53
Non-retained revenue distributed to owner	5, D	-	(2931)	-	(2931)	(2931)
Royalties for Regions Fund		35	22	35	(13)	(13)
Net cash provided by State Government		25 258	22 199	26 629	(3059)	(4430)
Utilised as follows						
Cash flows from operating activities						
Payments						
Employee benefits		(19 338)	(19 167)	(18 653)	171	(514)
Supplies and services	2, A	(3742)	(2278)	(3350)	1464	1072
Accommodation		(2029)	(2468)	(2048)	(439)	(420)
Grants and subsidies		(591)	(609)	(895)	(18)	286
GST payments on purchases		(415)	(503)	(615)	(88)	112
Receipts						
User charges and fees		285	93	110	(192)	(17)
GST receipts on sales		87	17	53	(70)	(36)
GST receipts from taxation authority	E	328	451	1062	123	(611)
Other receipts		108	552	331	444	221
Net cash provided by/(used in) operating activities		(25 307)	(23 912)	(24 005)	1 395	93
Cash flows from investing activities						
Payments						
Purchase of non-current assets		(138)	(9)	(43)	129	34
Net cash provided by/(used in) investing activities		(138)	(9)	(43)	129	34
Net increase/(decrease) in cash and cash equivalents		(187)	(1722)	2581	(1535)	(4303)
Cash and cash equivalents at the beginning of period		10 011	12 772	10 191	2761	2581
Cash and cash equivalents at the end of period		9824	11 050	12 772	1226	(1722)

Note 31 Explanatory statement: Major variance narratives (Controlled operations)

Variations between estimate and actual 2018

1. The decrease in Employee benefit expense is primarily the effect of implementing public sector initiatives such as SES reduction, revised public sector wages policy and Voluntary Targeted Separation Scheme.
2. A reduction in the number of training courses delivered, special review projects and resources received free of charge from the Department of Premier and Cabinet have contributed to the decline in the Supply and Services expense.
3. The variance between budget and actual balance is mainly due to an over-estimate of prepayments in the budget forecast.
4. The departure of employees through the SES reduction initiative and Voluntary Targeted Separation Scheme have contributed to the decrease in the employee-related provisions.
5. The variance was a result of returning surplus cash to the Consolidated Accounts as per the Cash Management Policy .

Variations between actual results for 2018 and 2017

- A. A reduction in the number of training courses delivered, special review projects and resources received free of charge from the Department of Premier and Cabinet have contributed to the decline in the Supply and Services expense.
- B. The decline in Service Appropriation was mostly a result of reduced funding following the implementation of SES Reducton Saving Measure, Public Sector Wages Policy 2017, State Fleet Savings Initiative and Voluntary Targeted Separation Scheme for Public Sector Renewal 2017.
- C. The departure of employees through the SES reduction initiative and Voluntary Targeted Separation Scheme have contributed to the decrease in the employee-related provisions.
- D. The variance was a result of returning surplus cash to the Consolidated Accounts as per the Cash Management Policy .
- E. An over refund of \$357 000 in GST by the ATO in 2016-17 and a decrease in the GST claimed on the purchase of goods and services in 2017-18 have contributed to the variance between the financial years.

Note 32 Financial instruments

Financial risk management

Financial instruments held by the Commission are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables. The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.

a) Summary of risks and risk management

Credit risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment, as shown in the table at Note 32(c) 'Financial instruments disclosures' and Note 17 'Receivables'.

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amount receivable for services (holding account). For receivables other than government, the Commission trades only with recognised and creditworthy third parties. The Commission has policies in place to ensure that sales of services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due.

The Commission is exposed to liquidity risk through its trading in the normal course of business.

The Commission has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks. The Commission is not exposed to interest rate risk because all cash and cash equivalents and restricted cash are non-interest bearing, and the Commission has no borrowings. As a result of not being exposed to interest rate risk, the Commission is not required to undertake an interest rate sensitivity analysis.

b) Categories of financial instruments

The carrying amounts for each of the various categories of financial assets and financial liabilities at the end of the reporting period are as follows.

	2018 \$000	2017 \$000
Financial assets		
Cash and cash equivalents	10 927	12 710
Restricted cash and cash equivalents	123	62
Receivables ^(a)	7480	7825
Financial liabilities		
Payables	1017	1293

(a) The amount of receivables excludes GST recoverable from Australian Taxation Office (statutory receivable).

Note 32 Financial instruments (continued)

c) Financial instrument disclosures

Credit risk

The following table details the Commission’s maximum exposure to credit risk and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission.

The Commission does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

Ageing analysis of financial assets

	Carrying amount \$000	Not past due and not impaired \$000	Past due but not impaired					Impaired financial assets
			Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000	
2018								
Cash and cash equivalents	10 927	10 927	-	-	-	-	-	-
Restricted cash and cash equivalents	123	123	-	-	-	-	-	-
Receivables ^(a)	497	445	13	34	5	-	-	4 ^(b)
Amounts receivable for services	6 983	6 983	-	-	-	-	-	-
	18 530	18 478	13	34	5	-	-	4
2017								
Cash and cash equivalents	12 710	12 710	-	-	-	-	-	-
Restricted cash and cash equivalents	62	62	-	-	-	-	-	-
Receivables ^(a)	797	736	50	-	11	-	-	15 ^(b)
Amounts receivable for services	7028	7028	-	-	-	-	-	-
	20 597	20 536	50	-	11	-	-	15

(a) The amount of receivables excludes the GST recoverable from the Australian Tax Office (statutory receivable).

(b) Impairment provided for potential uncollectable debts.

Note 32 Financial instruments (continued)

d) Liquidity risk and interest rate exposure

The following table details the Commission's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Interest rate exposure					Nominal amount \$000	Maturity dates				
	Weighted Average Effective Interest Rate %	Carrying amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000		Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
2018											
<u>Financial Assets</u>											
Cash and cash equivalents	-	10 927	-	-	10 927	10 927	10 927	-	-	-	-
Restricted cash and cash equivalents	-	123	-	-	123	123	-	-	-	-	123
Receivables ^(a)	-	497	-	-	497	497	135	-	362	-	-
Amounts receivable for services	-	6983	-	-	6983	6983	-	-	104	6879	-
		18 530	-	-	18 530	18 530	11 062	-	466	6879	123
<u>Financial Liabilities</u>											
Payables	-	1017	-	-	1017	1017	1017	-	-	-	-
		1017	-	-	1017	1017	1017	-	-	-	-

(a) The amount of receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable).

Note 32 Financial instruments (continued)

d) Liquidity risk and interest rate exposure (continued)

	Interest rate exposure					Nominal amount \$000	Maturity dates				
	Weighted Average Effective Interest Rate %	Carrying amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000		Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
2017											
<u>Financial Assets</u>											
Cash and cash equivalents	-	12 710	-	-	12 710	12 710	12 710	-	-	-	-
Restricted cash and cash equivalents	-	62	-	-	62	62	-	-	-	-	62
Receivables ^(a)	-	797	-	-	797	797	786	-	11	-	-
Amounts receivable for services	-	7028	-	-	7028	7028	-	-	138	6890	-
		20 597	-	-	20 597	20 597	13 496	-	149	6890	62
<u>Financial Liabilities</u>											
Payables	-	1293	-	-	1293	1293	1293	-	-	-	-
		1293	-	-	1293	1293	1293	-	-	-	-

(a) The amount of receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable).

Note 33 Events occurring after the end of the reporting period

There were no events occurring after the end of the reporting period that impact on the financial statements.

Note 34 Affiliated bodies

Salaries and Allowances Tribunal

The Tribunal, established by section 5 of the *Salaries and Allowances Act 1975*, is a government affiliated body that received administrative support from, but is not subject to operational control by, the Commission. It is funded by a Parliamentary appropriation of \$1 091 000 for 2017-18 (\$906 000 for 2016-17).

Note 35 Contingent liabilities and contingent assets

Contingent liabilities

The Commission has no contingent liabilities.

Contaminated sites

Under the *Contaminated Sites Act 2003* the Commission is required to report known and suspected contaminated sites to the Department of Water and Environment Regulation (DWER). In accordance with the Act DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as *contaminated - remediation required* or *possibly contaminated - investigation required*, the Commission may have a liability in respect of investigation or remediation expenses.

During the year, the Commission has no known or suspected contaminated sites.

Contingent assets

The Commission has no contingent assets.

Note 36 Supplementary financial information

(a) Losses through theft, defaults and other causes

	2018 \$000	2017 \$000
Losses of public money through default - salary overpayments deemed unrecoverable	11	4
	11	4

Key performance indicators

Certification of key performance indicators

for the year ended 30 June 2018

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Public Sector Commission’s performance, and fairly represent the performance of the Commission for the financial year ended 30 June 2018.



SHARYN O’NEILL
PUBLIC SECTOR COMMISSIONER

9 August 2018

Contents for key performance indicators

	Page
Overview of key performance indicators	91
Measurement of agency level outcomes	91
Key effectiveness indicators	92
An efficient and effective public sector that operates with integrity	92
Key efficiency indicators	93
Service 1 – Public sector leadership	93
Service 2 – Assistance and support	93
Service 3 – Oversight and reporting	94

Overview of key performance indicators

The Commission is responsible for assisting Government through the delivery of services to achieve the broad goal to ‘grow and diversify the economy, create jobs and support skill development’.

To realise this goal the Commission provides services to public sector entities to achieve our agency-level Government-desired outcome of an efficient and effective public sector that operates with integrity. The Commission’s service delivery areas are:

1. public sector leadership
2. assistance and support
3. oversight and reporting.

Measurement of agency level outcomes

Key effectiveness indicators

The Commission’s key effectiveness indicators (KEIs) measure the extent to which our activities are achieving, or are progressing towards our agency-level outcome. To measure how we are performing against our KEIs, an annual Client perception survey (CPS) is issued to the Commission’s core clients.

In 2017, the Under Treasurer approved changes to the Commission’s Outcome Based Management (OBM) framework, including changes to the Commission’s core clients and KEIs. As a result the 2017/18 KEIs are not comparable to previous years.

In total, the 2017/18 CPS was distributed to 263 core clients, comprised of:

- 24 Departments created under section 35 of the *Public Sector Management Act 1994*
- 17 Ministerial offices
- 29 SES organisations specified in Schedule 2, Column 2, of the *Public Sector Management Act 1994*
- 29 non-SES organisations
- 146 local governments, including 9 Regional Councils
- 4 Public Universities
- 14 Government Trading Enterprises (GTEs).

The 2017/18 CPS asked our core clients to rate how the advice and guidance offered by the Commission assisted them with the promotion of integrity, effectiveness and efficiency, and diversity and inclusion within their organisation.

The survey offered a five-step rating from strongly agree to strongly disagree, with an additional ‘did not interact with the Commission in this way’ option.

The Commission received a 43 per cent response rate to the survey, a decline of 11 percentage points on last year’s response. Due to the updated OBM framework, the number of core clients more than doubled in 2017/18. Given the new composition of core clients and their differing levels of interaction they have with the Commission, and that the CPS is not a compulsory survey, a decrease in the response rate was anticipated.

Outcome: An efficient and effective public sector that operates with integrity

Key effectiveness indicator	Target 2017/18	Actual 2017/18	Variance
The portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped enhance integrity within their organisations. ^(a)	75%	86.0%	11.0% ^(b)
The portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped them to enhance the effectiveness and efficiency of their organisations. ^(a)	75%	71.0%	(4.0%) ^(b)
The portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped them to enhance diversity and inclusion within their organisations. ^(a)	75%	53.3%	(21.7%) ^(c)

(a) New key effectiveness indicators have been adopted to reflect the addition of new core clients including local government, public universities and Government Trading Enterprises. These clients were not previously surveyed and there is no comparative data for previous years.

(b) The variance between the targeted and actual key effectiveness indicator responses reflects the views of the Commission’s new core clients, and there being no comparable data from previous years to inform the target.

(c) The variance between the targeted and actual key effectiveness indicator responses reflects the views of the Commission’s new core clients, and may be attributed to clients having established practices and policies in place, or due to them obtaining information from other sources.

Key efficiency indicators

Key efficiency indicators provide a measure of the cost of inputs required to achieve outcomes. In all instances the Commission’s indicators include direct costs associated with the particular service and share of the corporate and executive support costs allocated to each service in accordance with the number of FTE employed. The indicators reflect core business activities only.

An exception to this is the value of grants and termination payments paid during the year, which are excluded because this is not considered a cost of delivering a service.

Service 1 – Public sector leadership

This service develops and supports current and future leaders and builds the capacity of the public sector workforce through the delivery of leadership and workforce development products, programs and training.

Key efficiency indicator	Target 2017/18	Actual 2017/18	Variance	Actual 2016/17	Actual 2015/16
Average cost per leadership development program, product or training hour.	\$151	\$93	(\$58) ^(a)	\$144	\$117
Average cost per workforce development program, product or training hour.	\$151	\$134	(\$17) ^(a)	\$147	\$117

(a) The average cost per leadership and workforce development program, product or training hour in 2017/18 was lower than the 2017/18 target. This is mainly due to reduced external training expenditure against increased hours applied to directly support the Leadership and Workforce Development Programs.

Service 2 – Assistance and support

This service provides advice, assistance and support to public sector bodies and employees on a range of administration, management, integrity and governance matters.

Key efficiency indicator	Target 2017/18	Actual 2017/18	Variance	Actual 2016/17	Actual 2015/16
Average cost per hour of assistance and support provided.	\$108	\$99	(\$9)	\$106	\$92
Average cost per public administration, standards and integrity program, product or training hour.	\$115	\$87	(\$28) ^(a)	\$112	\$85

(a) The average cost per public administration, standards and integrity program, product or training hour provided in 2017/18 was lower than the 2017/18 target. This is mainly due the realignment of resources to accommodate costs arising from a number of Public Sector Reform initiatives.

Service 3 – Oversight and reporting

This service progresses changes to legislation and develops policies to improve public administration and management, and provides independent oversight to monitor and report to the Parliament and Ministers on compliance with the *Public Sector Management Act 1994*, the *Corruption, Crime and Misconduct Act 2003*, the *Public Interest Disclosure Act 2003* and Part IX of the *Equal Opportunity Act 1984*.

Key efficiency indicator	Target 2017/18	Actual 2017/18	Variance	Actual 2016/17	Actual 2015/16
Average cost per hour addressing legislative and policy development	\$112	\$85	(\$27) ^(a)	\$102	\$91
Average cost per hour of performance and oversight activity	\$121	\$89	(\$32) ^(a)	\$111	\$98
Percentage of oversight actions completed within target timeframes.	90%	86%	(4%) ^(b)	91%	93%

(a) The variance between 2017/18 actual average cost per hour of performance and oversight activity and the actual average cost per hour addressing legislative and policy development against the respective 2017/18 targets is mainly due to the realignment of resources to accommodate costs arising from a number of the Public Sector Reform initiatives.

(b) The percentage of oversight actions completed within target timeframes in 2017/18 was lower than the 2017/18 target. This is mainly due to reduced resourcing of senior officers relative to the increasing volume of matters received.

Other legal and policy requirements

Disability access and inclusion plan

Through our *Disability access and inclusion plan 2015-2020* we continued to provide equitable and inclusive access for people with disability to our services, facilities and information by:

- consulting with and promoting vacancies through the National Disability Recruitment Coordinator (NDRC)
- coordinating and funding a pilot adult people with disability (sector-wide) traineeship program (with recruitment and selection undertaken in collaboration with the NDRC)
- developing a targeted “Managing unconscious bias” video briefing for selection panel members to identify and manage conscious and unconscious biases, and how these can impact on recruitment decisions
- providing mental health first aid and disability awareness training for our employees.

In accordance with the *Disability Service Act 1993*, a progress report was submitted to the Disability Services Commission outlining progress against strategies in the plan.

Substantive equality

We recognised the diversity of our employees and our stakeholders, and were committed to achieving equitable service opportunities and outcomes to meet their needs. Our commitment to the Government’s *Policy Framework for Substantive Equality* was reflected in our Code of Conduct and embedded into our human resource policies, procedures and guidelines. Our workforce and diversity plan and *Disability access and inclusion plan 2015-2020* reflected our commitment to providing a fair and equitable working environment. Both plans were reviewed to ensure they reflected our requirements.

The principles of the policy framework formed part of our business practices and service delivery to client groups, and were embedded in our human resource policies, procedures and guidelines.

Record keeping plan

Our record keeping plan recognised that record keeping services were provided through a bureau service arrangement with the Department of the Premier and Cabinet. Accordingly, we shared common records management procedures and a controlled vocabulary with the Department, which were reviewed during the year. We provided online awareness training to staff as part of our induction program.

Electoral Act 1907 Section 175ZE

In accordance with Section 175ZE of the *Electoral Act 1907*, the Commission incurred the following expenditure in media advertising. We did not incur expenditure in relation to advertising, market research, polling and direct mail.

Applications	Expenditure 2017/18
Media advertising organisations	
• Adcorp Australia Limited	\$56 102
Total expenditure	\$56 102

Compliance with public sector standards and ethical codes

We complied with the Public Sector Standards in Human Resource Management and the Western Australian Public Sector Code of Ethics (the Standards). We informed new employees of these standards as part of the induction process, conducted Accountable and Ethical Decision Making training and published information on our intranet.

Human resource officers provided advice, support and guidance to managers and employees in relation to the Standards. Notification of the right to lodge breach of standard claims was provided as required by the Public Sector Management (Breaches of Public Sector Standards) Regulations 2005.

Applications made for breach of standards review and the corresponding outcomes for the reporting period are in the table below.

Applications for breach of standard and corresponding outcomes for 2017/18

Number lodged	0
Number of breaches found	0
Number still under review	0

Occupational safety and health

We were committed to ensuring the occupational safety, health and welfare of our employees, contractors and visitors by providing and maintaining a safe working environment. Our Corporate Executive and Occupational Safety and Health (OSH) Committee, as well as all employees worked together to achieve a standard of excellence in OSH and injury management.

The committee provided oversight of safety and health management practices, including education, training, reporting, discussion and accountability. It comprised elected representatives from across the Commission who met quarterly, or as required, to discuss safety and health matters. Over the last 12 months, the committee undertook regular workplace inspections and provided quarterly OSH reports to Corporate Executive to ensure continuous improvement.

During the reporting year, we supported and promoted employee health and wellbeing by providing return to work programs, reasonable workplace adjustments, at work influenza vaccinations, corporate health fund discounts, resuscitation training, ergonomic assessments and sit-stand desks.

Employees also had the opportunity to undertake mental health awareness training, participate in superannuation/retirement planning sessions and community events. We continued to provide employees and their families access to an employee assistance program with three providers.

We took a proactive approach to injury management and established workers' compensation, injury management and return to work policies, procedures and documentation in accordance with the *Occupational Safety and Health Act 1984* and *Workers' Compensation and Injury Management Act 1981*. All OSH related policies and procedures were available to staff on our intranet. We provided OSH training and refresher training to five of our OSH representatives.

We had seven trained Family Domestic Violence Contact Officers to assist employees affected by family and domestic violence and their line managers to develop temporary workplace safety plan agreements.

In addition, trained first aid officers were located throughout the Commission to ensure immediate assistance was available when required.

We undertook an assessment of our OSH management system in 2018, in accordance with WorkSafe's criteria as set out in the WorkSafe Plan. Our OSH management system continued to meet compliance requirements with 100% of the agreed actions completed. It reflected our commitment to providing and maintaining a safe working environment.

Measures

The following table provides actual results for the 2017/18 reporting period against targets specified in *Public Sector Commissioner’s Circular 2012-05: Code of Practice Occupational Safety and Health in the Western Australian Public Sector*.

We had no lost time injuries during the period.

Safety health and injury management performance reporting

Key efficiency indicator	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	Target	Comment
Number of fatalities	0	0	0	0	0	0	0	Achieved
Percentage of lost time injury/disease incidence rate	0%	0%	1.5%	0.8%	0.76%	1.49%	0 or 10% improvement on the previous three years	Achieved
Percentage of lost time injury/disease severity rate	0	0	0	0	0	0	0 or 10% reduction	Achieved
Percentage of injured workers returned to work within:							Greater than or equal to 80% return to work within 26 weeks	
13 weeks	N/A	N/A	100%	100%	100%	100%		
26 weeks	N/A	N/A	100%	100%	100%	100%		
Percentage of managers trained in OSH and injury management responsibilities	81%	94%	89%	95%	97%	82%	Greater than or equal to 80%	Exceeded the 80% target

Freedom of information

We assisted freedom of information applicants to access available documents at the lowest possible cost. A breakdown of our statistics are in the [annual report](#) of the Office of the Information Commissioner.

Salaries and Allowances Tribunal

The Salaries and Allowances Tribunal (Tribunal) is an independent statutory body established under Section 5 of the *Salaries and Allowances Act 1975*. Consisting of a chair and two members, the Tribunal is appointed by the Governor to determine and report on the remuneration of parliamentarians, the judiciary and a range of senior State and local government office holders.

The Treasurer has determined the Tribunal is to be an affiliated body of the Commission in accordance with Section 60(1)(b) of the *Financial Management Act 2006*.

As an affiliated body of an agency under the PSM Act, the Tribunal's statutory operational independence is recognised. This independence is also recognised by the Tribunal's separate Parliamentary budget appropriation and resource agreement with the Premier and Treasurer.

Under these financial arrangements we are obliged to provide the Tribunal with certain financial services during the year, including the preparation of financial information to facilitate the discharge of statutory reporting obligations.

As a consequence of the Tribunal's affiliated body status, note 34 is included in our Financial Statements.



Appendices

In this section

Appendix A: Leadership development programs	100
Appendix B: Appointments and reappointments of CEO positions 2017/18	102
Appendix C: Integrity promotion capability sessions	103
Glossary	104
Shortened forms	105

Appendix A

Leadership development programs

Public Sector Commission programs

Leadership essentials

Designed for leaders at levels 7 to 9 and equivalent to support their development to be successful senior executives. The program involves four modules, coaching sessions and group work completed over nine months. The 51 participants that undertook the program in 2017/18 reflect cohorts from both the 2017 and 2018 intakes.

Management essentials

Aimed at mid-level managers across the public sector, the program is a series of modules delivered as individual workshops. The program empowers participants to make good decisions and lead from where they are.

Graduate development program

This program builds a whole-of-government perspective among new graduates and assists them in developing an appreciation of the complexity, importance and breadth of the public sector in WA. The 10-month program applies a blended learning approach through formal training, group and peer learning, on-the-job application of knowledge, agency visits and opportunities to attend presentations to connect with other like-minded individuals. The 112 participants that undertook the program in 2017/18 reflect cohorts from both the 2017 and 2018 intakes.

Conversations with the sector

Launched in 2018, the program involves a series of presentations by senior executives and practitioners about their knowledge, project experience and work learnings to current and past graduates of the graduate development program. The intended outcome is to provide participants with the opportunity to obtain a deep appreciation of the variety of work across the sector and establish strong connections with others, encouraging successful cross collaboration.

Thought Leadership Series

The Thought Leadership Series was a new program in 2018, that broadens the scope of speakers brought to public sector leadership audiences, recognising that experts are not limited to academics and experienced public servants but also come from the not for profit and private sectors. The program was developed from themes arising from the Service Priority Review and included speakers such as Dr Nicole Gillespie on the topic of *Building and Sustaining Organisational Trust* and Alastair Child, Professor Paul Flatau and David Ansell on *Co-design: Unlocking the potential to think about, develop and implement good policy that's accessible to the people closest to the issues*.

Public Sector Commission programs in partnership with the Australia and New Zealand School of Government (ANZSOG)

Executive Master in Public Administration

This is a two year part-time, post graduate qualification based on scholarship arrangements. The program assists officers to broaden their management and policy skills against shifting political, economic and organisational environments. In 2018, the program included the option to attend a component delivered in Singapore, as part of our partnership with the Lee Kuan Yew School of Public Policy. The 17 participants that undertook the program in 2017/18 reflect cohorts from the 2016, 2017 and 2018 intakes.

CEO Forum

Each year, ANZSOG invites each jurisdiction to nominate CEOs to participate in a national forum to share practices and insights with their peers, reflect on these, and develop their thinking about how best to deal with challenges in common. Since 2007, 30 chief executives from the WA public sector have participated in these forums.

Leadership seminars

Through ANZSOG's global reach, this program brings some of the world's leading academics, subject matter experts and highly experienced and respected practitioners from Australia and overseas to WA audiences. The series includes general seminars suitable for officers at all levels, Senior Executive workshops and Chief Executive Officer Forums. In 2017/18, the Commission delivered seven events with the assistance of five international and national speakers that were attended by chief executives, senior executives, aspiring leaders and practitioners.

Topics included Federation and Funding: Better together to collaborate or happier apart in competition; Digital disruption – job automation; demand for STEM graduates and talent renewal; Collaborating to solve wicked problems; Successful governance; and Applying lean in the public sector.

Appendix B

Appointments and reappointments of CEO offices 2017/18

Appointments to CEO offices established

1 July 2017

Position and agency	Appointee
Director General, Department of Biodiversity, Conservation and Attractions Concurrent appointment as CEO of Rottnest Island Authority, Zoological Parks Authority and Botanic Gardens and Parks Authority	Mr Mark Webb PSM
Director General, Department of Communities Concurrent appointment as CEO of Disability Services Commission, Housing Authority and Country Housing Authority	Mr Grahame Searle
Director General, Department of Jobs, Tourism, Science and Innovation Concurrent appointment as WA Tourism Commissioner	Mr Stephen Wood
Director General, Department of Justice	Dr Adam Tomison
Director General, Department of Local Government, Sport and Cultural Industries Concurrent appointment as General Manager, Perth Theatre Trust	Mr Duncan Ord OAM
Director General, Department of Mines, Industry Regulation and Safety	Mr David Smith

Position and agency	Appointee
Director General, Department of Planning, Lands and Heritage	Ms Gail McGowan
Director General, Department of Primary Industries and Regional Development Concurrent appointment as CEO, Rural Business Development Corporation	Mr Ralph Addis
Director General, Department of Water and Environmental Regulation	Mr Michael Rowe

Appointments to CEO offices not impacted by Machinery of Government

Position and agency	Appointee
Commissioner, Department of Fire and Emergency Services	Mr Darren Klemm AFSM
Director General, Department of the Premier and Cabinet	Mr Darren Foster

Reappointments

Position and agency	Appointee
Director, Art Gallery of Western Australia (Reappointment effective 22 July 2018 following approval by the Governor on 8 May 2018)	Dr Stefano Carboni

In 2017/18 we also assisted in the recruitment and appointment of the following statutory office holders:

- Ms Caroline Spencer, Auditor General
- Mr David Caddy, Chair, Western Australian Planning Commission
- Mr Chris Dawson APM, Commissioner of Police.

Appendix C

Integrity promotion sessions

The following integrity promotion sessions were delivered in 2017/18 to assist public authorities to understand their obligations under the PSM Act, the CCM Act and the PID Act.

Integrity and misconduct	 Sessions delivered	 Participants attended
Accountable and ethical decision making (AEDM)	5	83
Integrity in recruitment	8	146
Navigating the new integrity landscape	1	30
Understanding the influences underpinning conflicts of interest	4	173
Whistling while they work 2: Integrity forum	2	121
Misconduct prevention: An introductory workshop for managers	26	533
Navigating integrity landscape and AEDM combined	1	35
Leader's role in misconduct prevention as part of Leadership Essentials	1	25
Notification and reflection on the past year information session	1	25

Public interest disclosure



Sessions delivered



Participants attended

Navigating the PID Act: Information for PID Officers	10	105
PID awareness raising session	1	7

Breach of Standards Claims process

Managing breach of standards claims	3	56
-------------------------------------	---	----

Local government specific content

Engagement with local government executives on misconduct reporting and AEDM	6	62
Local government newly elected member inductions and local government chief executive officer visits	9	76
WALGA (including State Council) and local government professionals sessions	4	319
Briefings to Office of the Auditor General in preparation for local government role	2	168

Glossary

Term	Definition
Aboriginal Australian	People of Aboriginal and/or Torres Strait Islander descent who identify as such, and are accepted as such, by the community in which they live.
Act	A law made by Parliament, and known as an Act of Parliament.
Allegation	A claim that an individual has engaged in a specific instance of conduct which is suspected to amount to minor misconduct. A matter may contain more than one allegation.
Breach of standard	A determination by the Commissioner that one or more of the requirements of a public sector standard have or have not been complied with.
Code of conduct	A formal written policy documenting the behaviour expected of all employees of a public authority. Under the PSM Act each public sector body is expected to develop a code of conduct consistent with the public sector Code of Ethics.
Code of Ethics	The Western Australian Code of Ethics outlines the minimum standards of conduct and integrity for public sector bodies and employees outlines in the PSM Act.
Department	An organisation established under Section 35 of the PSM Act.
Ethical codes	Ethical codes are made up of the Code of Ethics together with authority-specific codes of conduct.
Full-time equivalent	One full-time equivalent (FTE) is one person paid for a full-time position. FTE totals include all current employees except board members (unless they are on a public sector authority payroll), trainees engaged through any traineeship program, award or agreement, and casuals who were not paid in the final pay period for the financial year. FTE calculations do not include any time is not ordinary time paid, such as overtime and flex-time.

Term	Definition
Headcount	Number of employees directly employed by a public sector agency at a point in time, regardless of employment type.
Leaders	A term used to refer to leadership roles in general and not only limited to management tiers 1, 2 and 3.
LGBTI people	Refers to people who identify as lesbian, gay, bisexual, transgender or intersex.
Managers	A term used to refer to mid-level supervisors.
Matter	An issue being dealt with by the Commission (created by a report or notification) which relates, or is suspected to relate, to minor misconduct.
Non-SES organisation	A term defined by Section 3 of the PSM Act.
People 24 years old and under	A term applied to the diversity group commonly referred to as 'youth'.
People 45 years old and over	A term applied to the diversity group commonly referred to as 'mature-aged'.
People from culturally and linguistically diverse backgrounds	A term applied to people born in countries other than those below, which have been categorised by the Australian Bureau of Statistics as mainly English speaking countries: Australia, Canada, England, Ireland, New Zealand, Northern Ireland, Scotland, South Africa, United States of America, Wales.
People with disability	A term applied to people with ongoing disability who have an employment restriction that requires any of the following: modified hours of work or time schedules; adaptations to the workplace or work area; specialised equipment; extra time for mobility or for some tasks; ongoing assistance or supervision to carry out their duties.

Term	Definition
Public authority	For the purposes of this report, the term generally includes all State Government agencies, local governments, public universities, GTEs and many government boards and committees. The term public authority has specific legislative meaning in the PID Act, EO Act and CCM Act.
Public officer	For the purposes of this report, the term refers to all people in public employment.
Public sector	Refers collectively to departments, SES organisations, non-SES organisations and ministerial offices.
Senior Executive Service (SES)	Generally comprises positions classified at Public Service and Government Officers CSA General Agreement 2017 equivalent Level 9 and above, with specific management or policy responsibilities.
Non-SES organisation	An organisation listed in Schedule 2 of the PSM Act.
Voluntary Targeted Separation Scheme	A scheme announced by Government as part of the 2017/18 State Budget to assist with public sector reform and budget repair. The separations are on a voluntary basis and focus on reducing duplication of effort within public sector agencies.
Women in management	For the purposes of this report, women in management refers to the representation of women in management tiers 2 and 3

Shortened forms

Term	Definition
ANZSOG	Australia and New Zealand School of Government
CaLD	Culturally and linguistically diverse
CCC	Corruption and Crime Commission

Term	Definition
CCM Act	<i>Corruption, Crime and Misconduct Act 2003</i>
CEO	Chief executive officer
Commission	Public Sector Commission
Commissioner	Public Sector Commissioner
CPS	Client perception survey
DEOPE	Director of Equal Opportunity in Public Employment
EO Act	<i>Equal Opportunity Act 1984</i>
EPS	Employee perception survey
FOI	Freedom of information
FTE	Full-time equivalent
GTE	Government trading enterprise
HR	Human resources
HRMOIR	Human resource minimum obligatory information requirement
ICS	Integrity and conduct survey
ICT	Information and communications technology
IL Act	<i>Integrity (Lobbyists) Act 2016</i>
KEI	Key effectiveness indicator
LGBTI	Lesbian, Gay, Bisexual, Transgender or Intersex
MOG	Machinery of Government
OSH	Occupational safety and health
PID Act	<i>Public Interest Disclosure Act 2003</i>
PSES	Public sector entity survey
PSM Act	<i>Public Sector Management Act 1994</i>
SES	Senior Executive Service
VTSS	Voluntary Targeted Separation Scheme
WA	Western Australia or Western Australian

Public Sector Commission

Dumas House, 2 Havelock Street, West Perth 6005
Locked Bag 3002, West Perth WA 6872

T: (08) 6552 8500

F: (08) 6552 8501

Email: admin@psc.wa.gov.au

www.publicsector.wa.gov.au