



*We're working for  
Western Australia.*

Public Sector Commission

# Annual report | 2018/19



## 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 2019.

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



SHARYN O'NEILL  
PUBLIC SECTOR COMMISSIONER  
(ACCOUNTABLE AUTHORITY)

13 September 2019

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## Graduate and trainee make their mark

Since joining the Commission, Emma Bell and Corey Czirr (pictured left and front cover) have demonstrated just how rewarding a career in the public sector can be.

Emma was part of our graduate program in 2018, joining us after completing a law degree. She is now an Assessment Officer and a valued member of the Integrity and Risk team.

Corey is a school-based trainee, combining part time school and employment while studying for the Western Australian Certificate of Education and Certificate II in Government (Public Administration). He finishes school at the end of 2019 – and comes back to us as a full time public sector trainee in 2020.

# From the Commissioner



I am pleased to present the Public Sector Commission's annual report which tells of our achievements and challenges during the 2018/19 financial year.

In my first year as Public Sector Commissioner, I sought to develop a firm footing for the Commission into the future, taking account of the Government's reform agenda for the sector to deliver greater value to Western Australians.

In addition, the Independent Review of the Public Sector Commission by Carmel McGregor PSM provided a compelling case to overhaul the Commission's remit, structure, culture, operation and relationships. My executive and I considered the review's themes and recommendations – along with the history and culture that propelled the concerns that lay beneath.

Moving beyond the review has been important for Commission staff. I welcomed the frankness with which Ms McGregor delivered her review; it enabled us to get positive change underway and renew our work with passion.

Much of the narrative in this annual report reflects our foundation work – from changes in governance and processes for us to operate more efficiently as an agency; to building relationships and interactions for us to work more effectively across the sector.

With a new remit and responsibilities well developed by the end of the year, significant progress on public sector reform projects over the course of the year, and exciting work being crafted on a number of sector-wide strategies, I believe we are well placed for the year ahead.

This was confirmed through research at the end of the year with directors general and chief executive officers to complement our more formal performance measures. They said they saw positive changes in the Commission that signalled a new way of working. They described us as at the beginning of a journey and they had high expectations for the future.

Listening to the sector was an important aspect of this foundation year and will be an integral part of how we operate going forward.

We also worked closely with the Public Sector Leadership Council and Public Sector Reform CEO Steering Committee, collaborating and seeking advice and support for sector initiatives.

I extend my thanks to chief executive officers who have given us, as a Commission, the time and support to regroup – and have continued to lead their agencies to serve Western Australians.

I would also like to thank the talented staff of the Commission for their dedication and commitment. Throughout the many changes over the year – to structures, functions, processes and expectations – they continued to work hard for the sector.

I believe the sector needs a strong Public Sector Commission in its corner. I believe we are on our way to become this.

SHARYN O'NEILL  
PUBLIC SECTOR COMMISSIONER

# Commission in focus

## Who we are

### Establishment

The Commission was formally established under the *Public Sector Management Act 1994* (PSM Act) in November 2008. Since December 2010, it has supported the independent office of Commissioner. The Commission currently provides oversight, policy and assistance to public sector agencies, government trading enterprises, public universities, local governments, and government boards and committees.

The PSM Act underpins the Commissioner's capacity to operate as an independent statutory officer, providing an integrated approach to ensuring management efficiency and appropriate standards of conduct and behaviour.

The independent Commissioner works closely with chief executive officers across the sector as well as the Premier and ministers.

### Responsible Minister

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

### Enabling and administered legislation

On behalf of the Commissioner, the Commission administers the:

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

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

### Government affiliated bodies

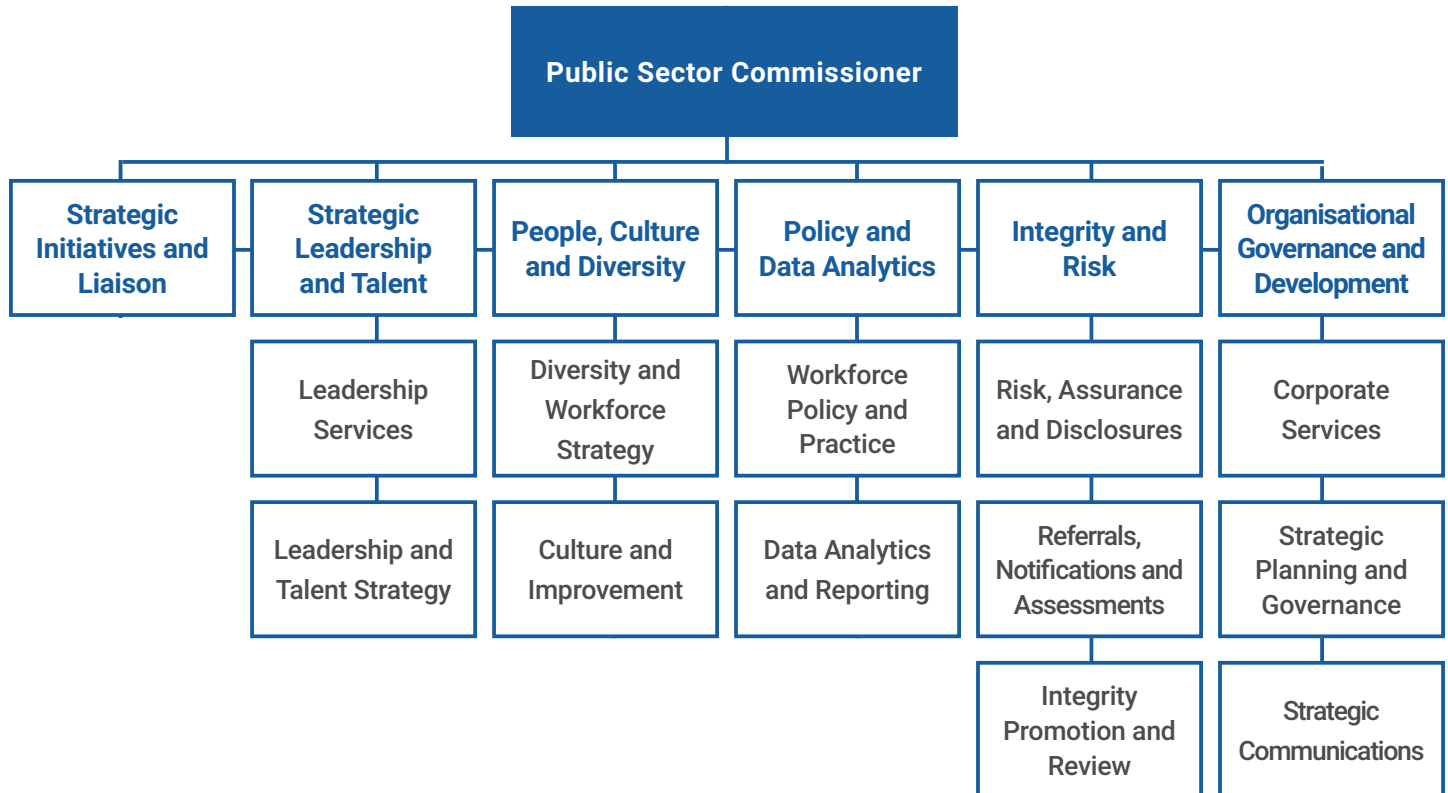
The Treasurer has determined that the Salaries and Allowances Tribunal is an affiliated body of the Commission in accordance with Section 60(1)(b) of the *Financial Management Act 2006* (FM Act).

### This report

This report provides information on the performance of the Public Sector Commission in 2018/19. For information about the public sector in general, please refer to the [State of the Sector report](#) which is published annually.

# Our structure

at 30 June 2019



## Strategic Initiatives and Liaison

Responsible for advising and supporting Government committees and boards, local government, government trading enterprises and non-SES organisations.

## Strategic Leadership and Talent

Responsible for executive leadership services, talent identification for both leaders and others, and leadership support and development.

## People, Culture and Diversity

Responsible for workforce planning, diversity, capability and performance improvement for the sector; and collaborating with the chief human resource officer forum, key stakeholder and workforce groups.

## Policy and Data Analytics

Responsible for guidance on policy and legislation, key instruments including Commissioner's Instructions and employment frameworks, as well as fostering better use of information and data collected by the Commission.

## Integrity and Risk

Responsible for promoting integrity and assisting public authorities to prevent misconduct; and executing responsibilities under integrity, public sector management and financial management (audit and risk) legislation.

## Organisational Governance and Development

Responsible for corporate services (including human resources management; financial management, budgeting and procurement; and information and technology); strategic planning and governance; and strategic communications.

# Members of Corporate Executive



## Sharyn O'Neill

### Public Sector Commissioner

Sharyn O'Neill was appointed as Commissioner on 30 July 2018 following 12 years as Director General of the Department of Education. She is the first woman to undertake the role.

Ms O'Neill's priority as Commissioner is to strengthen and unify the public sector to better serve the needs of the Western Australian community. She is leading major reforms with a focus on sector leadership, talent, diversity, workforce, integrity and capability.

Ms O'Neill began her career as a teacher and deputy principal in country schools before moving to policy, governance and system leadership positions in education.

She has a Master of Education (Education Administration and Policy). She was awarded the Institute of Public Administration Australia (WA) Patron's Award in 2016 and the Australian College of Educators (WA) Medal in 2019. She is a Fellow of the Institute of Public Administration Australia and a member of the Australian Institute of Company Directors.



## Dan Volaric

### Executive Director Strategic Initiatives and Liaison Executive Director Integrity and Risk (from 4 May 2019)

Dan Volaric was appointed to the position of Executive Director Strategic Initiatives and Liaison in December 2018. He is responsible for building and strengthening the Commission's engagement and relationship with key stakeholders.

Since 4 May 2019, he has also undertaken the role of Executive Director Integrity and Risk with responsibility for strategy and advice on sector integrity and performance.

Mr Volaric previously held the position of Deputy Commissioner. He has extensive experience in public sector management, integrity, governance, corporate services and human resource management.

He has worked as a member of the executive of several agencies as part of the Commission's advice and support role, including acting as Director General of the then Department of Environmental Regulation.

He has a Diploma of Business Administration and is a member of the Australian Institute of Company Directors.



## Sonja Cox

### Executive Director People, Culture and Diversity

Sonja Cox took up the position in September 2018 and is responsible for sector-wide workforce planning including leading a workforce diversification strategy.

Before joining the Commission, she held various senior positions in the Department of Justice and WA Police Force leading strategy, policy, planning and asset investment.

Ms Cox has a Bachelor of Arts (Criminal Justice Administration), an Executive Master of Public Administration and is a Fellow of Leadership Western Australia.



## Lorraine Gregoriadis

### Executive Director Strategic Leadership and Talent

Lorraine Gregoriadis commenced in this role in January 2019 and is responsible for leadership and management of the strategic leadership and talent division. Before joining the Commission, she held a range of executive roles in leadership development, innovation and disability services in both the public and private sectors.

Ms Gregoriadis has also worked in health, education and community services. She began her career as a speech pathologist and audiologist, and has a master's in linguistics. She is a non-executive director of 100 Women, graduate of the Australian Institute of Company Directors and Fellow of Leadership Western Australia.



## Lindsay Warner

### Executive Director Policy and Data Analytics

Lindsay Warner took up this position in December 2018 and is responsible for the workforce policy and data functions of the Commission. He was acting Commissioner from April 2018 until Ms O'Neill's appointment in July 2018. Before this he held a number of senior leadership roles in the Commission.

Mr Warner has worked in a range of government agencies in the areas of human services and economic development. He has also worked in central agencies. He has a Bachelor of Economics and is a member of the Australian Institute of Company Directors.



## Jane Machin-Everill

### Executive Director Organisational Governance and Development

Jane Machin-Everill took up this position in December 2018 and is responsible for the executive functions of the Commission including strategic communications, planning and governance, and corporate services. Before joining the Commission, she was at the Department of Education (and Training) for 16 years in a range of leadership roles with responsibility for policy, governance, communications, executive services and ministerial liaison.

Ms Machin-Everill has worked in a number of government agencies, universities and education sectors. She has a Bachelor of Arts, Graduate Diploma in Library and Information Studies, and Diploma of Education. She is a Fellow of the Public Relations Institute of Australia and a member of the Australian Institute of Company Directors.



# Performance management framework

## Outcome-based management framework

Table 1 illustrates the relationship between our services and desired outcomes, and the broad Government goal to which we contributed.

**Table 1: Government goal, Commission desired outcomes and services**

Government goal		
Grow and diversify the economy, create jobs and support skills development.		
Agency level government desired outcome		
An efficient and effective public sector that operates with integrity.		
Service 1: Public sector leadership	Service 2: Assistance and support	Service 3: Oversight and reporting
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.	This service provides advice, assistance and support to public sector bodies and employees on a range of administration, management, integrity and governance matters.	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.

Table 2 shows our three services linked to key performance indicators, comprised of effectiveness and efficiency indicators. They considered the extent to which we achieve our desired outcomes.

**Table 2: Commission services linked to key performance indicators**

DESIRED OUTCOMES Effectiveness indicators	SERVICES PROVIDED Efficiency indicators
<p>Portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped enhance integrity within their organisations.</p> <p>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.</p> <p>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>	<p><b>Service 1</b></p> <ul style="list-style-type: none"> <li>Average cost per leadership development program, product or training hour.</li> <li>Average cost per workforce development program, product or training hour.</li> </ul> <p><b>Service 2</b></p> <ul style="list-style-type: none"> <li>Average cost per hour of assistance and support provided.</li> <li>Average cost per public administration, standards and integrity program, product or training hour.</li> </ul> <p><b>Service 3</b></p> <ul style="list-style-type: none"> <li>Average cost per hour addressing legislative and policy development.</li> <li>Average cost per hour of performance and oversight activity.</li> <li>Percentage of oversight actions completed within target timeframes.</li> </ul>

# Performance summary

## Actual results versus budget targets

**Table 3: Financial targets**

Category	2019 Target <sup>(1)</sup> (\$000)	2019 Actual (\$000)	Variance <sup>(2)</sup> (\$000)
Total cost of services (expense limit)	26 454	22 341	(4 113) <sup>(a)</sup>
Net cost of services	25 922	21 755	(4 167) <sup>(a)</sup>
Total equity	11 452	16 969	5 517
Net increase/(decrease) in cash held	(190)	2 273	2 463 <sup>(a)</sup>
Approved salary expense level	15 715	12 744	(2 971) <sup>(a)</sup>

(1) As specified in Budget Statements.

(2) Further explanations in [Note 8.9 'Explanatory statement'](#) to financial statements.

(a) Variation mainly due to reduction in employee benefits from vacancies following functional realignment, and in Aboriginal Employment Program.

**Table 4: Working cash targets**

Category	2019 Agreed limit (\$000)	2019 Target <sup>(1)</sup> / Actual <sup>(2)</sup> (\$000)	Variance (\$000)
Agreed working cash limit (at Budget)	1 251	1 251	N/A
Agreed working cash limit (at Actuals)	1 296	1 128	(168) <sup>(a)</sup>

(1) As specified in Budget Statements.

(2) Explanations for variations between target and actual results in [Note 8.9 'Explanatory statement'](#) to financial statements.

(a) Reduction in expenditure such as employee benefits contributed to variation.

## Achievement against key performance indicators

Table 5 is a summary of achievements against key effectiveness indicators and Table 6 is a summary of achievements against key efficiency indicators. A more detailed explanation of the indicators and reasons for variances is in '[Key performance indicators](#)'.

**Table 5: Summary of achievements against key effectiveness indicators**

Key effectiveness indicator	Target 2018/19	Actual 2018/19	Variance	Actual 2017/18
Portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped them to enhance integrity within their organisations.	75%	87%	12%	86%
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%	80%	5%	71%
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%	66%	(9%)	53%

**Table 6: Summary of achievements against key efficiency indicators**

	Target 2018/19	Actual 2018/19	Variance	Actual 2017/18	Actual 2016/17
<b>Service 1: Public sector leadership</b>					
Average cost per leadership development program, product or training hour.	\$140	\$115	(\$25)	\$85	\$144
Average cost per workforce development program, product or training hour.	\$132	\$115	(\$17)	\$124	\$147
<b>Service 2: Assistance and support</b>					
Average cost per hour of assistance and support provided.	\$117	\$108	(\$9)	\$91	\$106
Average cost per public administration, standards and integrity program, product or training hour.	\$89	\$96	\$7	\$80	\$112
<b>Service 3: Oversight and reporting</b>					
Average cost per hour addressing legislative and policy development.	\$69	\$85	\$16	\$78	\$102
Average cost per hour of performance and oversight activity.	\$95	\$101	\$6	\$82	\$111
Percentage of oversight actions completed within target timeframes.	85%	90%	5%	86%	91%

# Our people

We had a total of 108 (100.2 full-time equivalent) staff across the Commission at 30 June 2019. The median age of staff was 42 years.

## Developing our people

Staff with management responsibilities were part of a comprehensive development program during the year. The program followed on from a major restructure that was implemented in December. The development program aimed to build the capacity of managers to lead for the future. They were provided with tools to lead, motivate and engage their teams in constructive and positive ways.

We held two evaluative thinking sessions for staff to grow their expertise in designing and delivering programs and projects.

We continued supporting and advising staff on health and wellness matters. Eleven staff completed first aid training and one staff member undertook occupational safety and health training.

We delivered accountable and ethical decision making training to new staff. A targeted session was also delivered to the new Commissioner and all executive directors.

## Performance management

During the second quarter of 2019, we developed a revised approach to performance management including performance agreements supported by feedback in an ongoing cycle of performance assessment. The cycle for all staff will commence in July 2019.

## Trainees

Two trainees continued their placements at the Commission during the year: a trainee with disability and a school-based Aboriginal trainee. On successful completion of their traineeships, they will receive nationally recognised qualifications. As at 30 June 2019, we had four permanent staff who commenced their careers through one of our traineeship programs.

Tables 7, 8 and 9 provide details of our workforce profile.

**Table 7: Percentage of diversity groups at the Commission at 30 June 2019**

Groups	2017 %	2018 %	2019 %
Aboriginal Australians	2.7	5.3	5.6
People with disability	1.8	3.5	3.7
Women in management (tiers 2 and 3)	47.3	47.8	76.5
Women in the Senior Executive Service	33.3	0.0	40
People from culturally and linguistically diverse backgrounds	13.1	20.4	19.4
People 24 years old and under	4.3	8.9	8.3
People 25 to 44 years old	43.6	52.2	51.9
People 45 years old and over	52.1	38.9	39.8

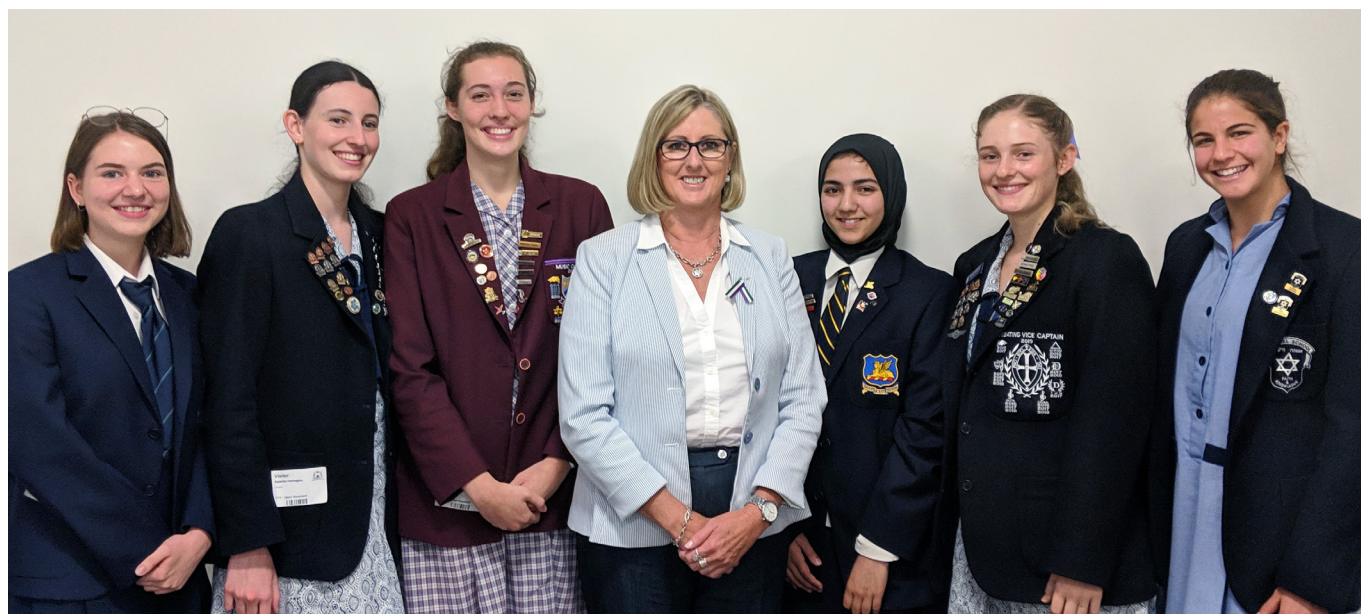
**Table 8: Percentage of Commission staff in each salary band at 30 June 2019**

Trainee	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8	Level 9+	CEO on other function
1.8 <sup>1</sup>	0.9	1.8	9.9	16.3	12.6	19.8	18.9	8.1	6.3	3.6

<sup>1</sup>Represents four trainees at 30 June 2019; 18 trainees completed traineeships in May 2019.

**Table 9: Percentage of working arrangements, gender and employment type at the Commission at 30 June 2019**

	2019 (%)
<b>Working arrangements</b>	
Full-time	88.0
Part-time	12.0
<b>Gender</b>	
Female	64.8
Male	35.2
Diverse sexualities and genders	0.0
<b>Employment type</b>	
Permanent	93.5
Fixed-term	6.5



Commissioner Sharyn O'Neill with (left to right) Sophia Rees (Shenton College), Natasha Farrington (Perth College), Wini Taylor-Williams (St Mary's Anglican Girls School) for the affirmative; and Huda Zaidi (Perth Modern School), Keeley Sermon (Perth College) and Aviya Solomon (Carmel College) for the negative team.

## Student debate for International Women's Day

Two all-female school debating teams pitted their wits, energy and arguments in a special International Women's Day debate we hosted in March. The six students from Years 9 to 12 had just one hour to prepare for the debate. They had no access to social media or the internet, and a toss of the coin determined who would be on each team.

And the winner is . . . the affirmative school debating team prosecuting the topic: "We regret the social narrative that women should strive to 'have it all'."

The teams of talented young people had staff enthralled by their ability to speak and present their cases so confidently.

# Significant matters

## Independent review of the Commission

Undertaken by Ms Carmel McGregor PSM, the [Independent Review of the Public Sector Commission](#) concluded in July and the report was tabled in Parliament in October.

The review provided a compelling case for changes to the remit, structure, culture, operation and relationships of the Commission.

The Government noted the review's 24 recommendations and decided that two would not be implemented, the first in relation to the Commissioner's employment relationship with chief executive officers and the second in relation to the responsibility for managing minor misconduct.

The review also suggested removing the role of the Director of Equal Opportunity in Public Employment from the EO Act and incorporating the functions into the PSM Act. The Government and Commissioner decided that the role of the Director (housed in the Commission) would not be abolished but rather assigned jointly to a second tier executive position in the Commission. It was assigned to the position of Executive Director People, Culture and Diversity in November.

An internal review of the functions of the Director commenced during the year. The aim was to create a modern and meaningful approach for public authorities to develop management plans that improve outcomes for people from diverse groups and eliminate discrimination.

The McGregor review also made a number of references to changing the PSM Act to provide for a more contemporary approach for the sector. The Act is not in scope for general review at this time.

In tabling the report in Parliament in October, the Premier asked the Commissioner to consider the report as a whole and work with the Government to implement the intent of the recommendations.

The Commission and Commissioner considered the report's themes and recommendations, and significant work was completed during the year on many of the changes proposed in the review. Further work will continue into the future.

Our responses to the recommendations are included in this report where they align with our work. For example, our work on public sector leadership and CEO management is included in '[Leadership and talent](#)' while our work on the internal functions and organisational reform is included in '[Our governance](#)'.

A formal response to the report was drafted during the year for consideration by the Government in the new financial year.

## Public sector reform

We continued our work on projects stemming from the Government's public sector reform initiative. We were responsible for seven projects – four under the people pillar of the [reform roadmap](#) (workforce diversification, talented people, temporary personnel services and a more stable workforce) and three under the leadership pillar (high performing CEOs, agency capability and functional area leadership).

The specifics of our work on each of these reform projects are detailed in this report under the relevant area. For example, our work on a stable workforce is included in '[Workforce](#)'.

# Our governance

## New remit

During 2018/19, we worked on developing a new remit to provide direction for our staff as well as for the sector. The need for a clear remit was a recommendation of the McGregor review.

The remit saw a shift in our focus from administration and compliance to a strategic and empowered model, working in partnership with the sector to develop strategies, provide support and work together in a productive and practical manner.

## Governance processes

Ten of the 24 recommendations of the McGregor review related to the operations and governance of the Commission. During the year, we progressed all 10 of these recommendations.

Alongside the remit, we reviewed our functions to deliver on our purpose. Together with new initiatives to support the sector, we undertook substantial internal reform, and implemented processes and systems to support good governance and facilitate best business practices.

We completely revised our organisational structure in the last quarter of 2018 with the new structure in operation from 3 December.

The new structure was devised to deliver our strategic priorities for the sector in the key areas of leadership and talent; people, culture and diversity; integrity and risk; and policy and data analytics. We also revised our corporate services, communications and governance functions as enablers and supporters for our work with the sector.

Across the Commission, we focused on putting greater emphasis on strategy, policy, governance and collaboration.

We implemented a new governance framework to ensure accountability and encourage performance improvement while meeting our obligations and legislative requirements.

We established governance committee arrangements. We developed and put into operation terms of

reference and processes for Corporate Executive, a new Project and Program Governance Committee and our Audit and Risk Committee.

We began revising and updating terms of reference for our Occupational Safety and Health Committee, Classification Review Committee and Reconciliation Action Plan Reference Group. These will be completed early next year.

Throughout the year, we reviewed systems and processes to develop more efficient ways of working to better support agencies and stakeholders.

## Delegations schedule

We reviewed all delegations across the Commission and developed a new delegations schedule. A number of delegations was revised to provide for more effective and efficient operations. For example, delegations were put in place for executive directors to endorse recruitment, selection and appointment processes for positions at levels 1 to 8 in the approved organisation structure. The Commissioner retained authority for positions at levels 9 and above (and equivalent).

Delegations were monitored and assessed throughout the year to ensure they provided appropriate authority.

## Policy framework

We introduced a new policy framework to guide the development, review and removal of our internal policies.

The framework set clear expectations around the need for, and structure of, our policies while minimising administrative burden and clarifying processes. In 2018/19, eight policies were approved (along with associated procedures) and two were rescinded. Further policy reviews were underway.

## Communications

Following the new Commissioner's appointment and as part of re-establishing communications channels internally, all staff were invited to contribute ideas on the future direction of the Commission, and on developing and sustaining a positive workplace culture. This engagement took place through a number of mechanisms including Commissioner-led whole-of-staff sessions and small group discussions, workshops facilitated by an external provider, regular intranet updates and a confidential feedback inbox.

Staff were also involved in shaping the new structure and had the opportunity to provide input through managers and the feedback inbox.

To establish and progress strategic priorities, and promote consultation and collaboration across the Commission, regular division meetings were established alongside whole of Commission forums with the Commissioner.

A strategic communications function was built into the organisation structure and work was done during the year to provide a strong foundation for this new function.

We also revised the intranet to better deliver internal communications and began a more extensive project to redevelop the intranet as a customer-centric platform to support the work of Commission staff. Through the intranet, we provided our staff with information on the outcomes of our governance committees after each meeting.

An external review of stakeholder awareness and perceptions of the Commission over the last 12 months showed emerging positive feedback about our new direction as well as our interactions and communication with the sector.

## Communications agreement

After the new Commissioner's appointment, we developed a communications agreement between the Commissioner and the Premier as the Minister for Public Sector Management. The agreement outlined processes to manage communications with the Premier and his office. It included a list of nominated officers that was updated as required over the course of the year.

## Strategic planning

Given the work on our remit, our new functional organisation and structure, and the many reforms across the Commission, we gave initial consideration to a new strategic plan.

This work will be progressed in the first half of the new financial year with the aim of having a new three-year strategic plan from 2020.

## Code of Conduct

All staff were involved in reviewing our Code of Conduct during the year. The revised code was endorsed by Corporate Executive in June and will be available to staff on our intranet in July 2019.

The development of the code was underpinned by a risk assessment. It included a new focus on social media and a strong stance on declining gifts, benefits and hospitality. We also developed a guide to provide more details about how to abide by the code, with a focus on key risk areas.

The code was incorporated into our new performance management process, with staff required to acknowledge they have read the code on an annual basis. The code will also form the basis of discussions in performance meetings with all staff from the next financial year.



# Our committees

## Corporate Executive

The Corporate Executive, chaired by the Commissioner, met 13 times during the year. Corporate Executive meetings were held fortnightly between October and December and monthly from January. Standing items on the agenda for the first six months were the terms of reference and the governance framework to ensure they accurately reflected the role of the Corporate Executive. Minor amendments were made to them over this time.

## Project and Program Governance Committee

A new Project and Program Governance Committee was established in December 2018 to provide information and assurance to Corporate Executive on the effective and efficient management of project and program governance, strategy and practices.

The committee met six times during the year. During the year, 22 new projects were recommended to Corporate Executive and approved by the Commissioner.

A standing item on the agenda for the first six months was the terms of reference to ensure they accurately reflected the role of the committee. Minor amendments were made to them over this time.

Templates for project and program proposals and plans were developed to support governance processes. Risk assessment and mitigation were included in the templates to be addressed in all considerations by the committee.

## Audit and Risk Committee

The Audit and Risk Committee provided independent assistance and assurance to the Commissioner by overseeing and monitoring our governance, risk and control frameworks and external accountability requirements.

The committee met three times in 2018/19. Its terms of reference were updated in January. A new risk-based internal audit plan was considered by the committee in June. Three internal audits were commenced during the year. For details of our internal audit and risk activities see '[Internal audit and risk](#)'.

## Occupational Safety and Health Committee

The Occupational Safety and Health Committee was responsible for ensuring compliance with occupational safety and health legislation, policies and procedures.

The committee was chaired by the Human Resources Manager and comprised of elected representatives from across the Commission who met quarterly or as required during the year. It provided oversight of safety and health management practices including education, training, reporting, discussion and accountability. The committee undertook regular workplace inspections and provided reports to Corporate Executive to ensure continuous improvement.

As part of a renewed focus on OSH, Corporate Executive agreed that the committee would provide quarterly reports to it. A new terms of reference, a strengthened strategic focus and a change of chair to a member of the Corporate Executive will be pursued in the new financial year.

For details of other activities in this area, see '[Occupational safety and health](#)'.

# Report on operations

## Leadership and talent

### Leadership and talent strategy

Given the centrality of leadership to sector reform and improvement, we initiated work on a stronger and more cohesive approach to leadership across the sector.

During the year, we started developing a leadership strategy for the sector. Our initial focus was on researching contemporary leadership capabilities required for strong public sector leadership in Western Australia. From this research, we drafted a set of leadership expectations with mindsets, characteristics and behaviours. The Commissioner led initial discussions of the leadership concepts at the Public Sector Leadership Council. Consultation will be undertaken in the new financial year.

We also began reviewing our leadership programs to ensure they are relevant, reflect contemporary leadership thinking and are aligned with defined leadership development outcomes.

With no comprehensive and dedicated approach to future high quality leadership for the sector, we also began scoping a talent strategy to support the identification, development and monitoring of talent across the sector. Working with agencies, the strategy will build on existing good practice and draw on successful models in Australia and internationally. The need for talent identification and development was recommended in the reviews of the sector and is one of the public sector reform projects for which we have responsibility.

In light of the Government's commitment to reduce the number of people in the Senior Executive Service, we commenced a review on the overall management of the numbers. This work will continue into the new financial year and take into consideration the recommendations of the McGregor review.

### CEO performance

We commenced devising a contemporary performance and development framework for CEOs. This is a specific project under the Government's public sector reform initiative.

The draft framework – which will be taken out for consultation early next year – incorporated agency specific deliverables, whole of government priorities, measures to determine performance as well as ongoing development and support to enhance leadership capabilities and achieve deliverables.

The framework also aims to strengthen the relationship between the Commissioner and CEOs, and address the professional development needs of CEOs.

Work in this area was aligned with the research and initial development of the leadership and talent strategy.

### Functional area leadership

We developed a plan for implementing functional area leadership – part of the Government's public sector reform initiative stemming from the Service Priority Review.

As part of this plan, we commenced coordinating a pilot project involving five agencies becoming functional leaders in the areas of procurement (Department of Finance); digital, data and technology (Department of the Premier and Cabinet); human resources (Public Sector Commission); financial management (Department of Treasury); and occupational safety and health (Department of Mines, Industry Regulation and Safety).

As the functional area leader for human resources, our pilot will be related to staff recruitment.

The pilot project aims to test the concept of functional area leadership in the Western Australian context.

## Capacity building

We continued to build the capacity of current and emerging leaders in the sector through a range of initiatives.

Twenty-six sector staff (25 last year) at levels 7 to 9 (or equivalent) completed our Leadership Essentials program to support their development. They undertook four learning modules, coaching sessions and group work over nine months.

Through 23 (28 last year) workshops in the metropolitan area and three in regional areas, mid-level managers undertook our Management Essentials program. Workshops focused on leading teams through change and making good decisions as people managers.

In 2018/19, 131 (112 last year) participants undertook our Graduate Development Program, reflecting cohorts from both the 2018 and 2019 intakes. They built a whole-of-government perspective and developed an appreciation of the complexity, importance and breadth of the sector over the 10-month program.

Four Conversations with the Sector were attended by 224 participants. Senior executives and practitioners shared their knowledge, experience and work learnings with current and past participants of our Graduate Development Program.

In 2018/19, 366 people attended eight Thought Leadership sessions (441 people and 12 sessions last year) by speakers from the public, not for profit and private sectors. Attendees included chief executives, senior executives, aspiring leaders and practitioners.

Through 10 Policy Essentials program sessions, 59 participants (10 sessions and 51 participants last year) from two intakes learned about agenda setting, consultation, decision making and policy implementation.

We continued to work closely with the Australian and New Zealand School of Government (ANZSOG) through a partnership arrangement. Four (none last year) senior executives from the sector participated in the Executive Fellows Program. Over a three-week residential program, they developed new leadership perspectives in a contemporary and highly interactive setting.

During the year, three participants from the sector graduated from the Executive Master in Public Administration program, three were partway through the program, and five new scholarships were awarded to a 2019 cohort. Over this two year, part-time master's qualification, participants broadened their management and policy skills.

Through our ANZSOG Leadership Seminar Series, 56 policy practitioners from 19 agencies took part in a workshop on new ways of framing and advancing policy when working with multiple ministers.

## CEO appointments, reappointments and directions to act

In 2018/19, the Commissioner facilitated the appointment of seven people to 12 CEO offices and the appointment of two statutory office holders. The Commissioner also facilitated the reappointment of three CEOs and the reappointment of one statutory office holder. The Commissioner directed 19 people to act in 24 CEO offices and facilitated arrangements for four people to act in three statutory offices.

These figures are lower than in 2017/18 when there was a significant number of appointments, reappointments and directions to act due to machinery of government changes. Details for 2018/19 are in ['Appendix A'](#).

## Boards and committees

In 2018/19, we conducted four formal presentations to boards and committees, and met with nine boards to assist in governance matters. We provided advice and other assistance on indicative remuneration, policies and procedures, and Cabinet comment decision sheet follow-ups. We also provided training and advice through our integrity promotion program.

Matters that emerged included roles and responsibilities, understanding the public sector environment and the appropriate governance framework in relation to conflicts of interest and gifts and benefits.

During the year, we provided 31 remuneration recommendations to ministers and Cabinet for government boards and committees.

# People, culture and diversity

## Agency capability reviews

We commenced work on a performance and improvement framework to support public sector leaders to assess the health and performance of their agencies, and identify strategies to improve outcomes.

This work was based on the Government's reform agenda and a recommendation from the Service Priority Review for a regular cycle of agency capability reviews to drive ongoing improvement across the sector. The [Special Inquiry into Government Programs and Projects](#) also supported the introduction of reviews and recommended that the capacity of central agencies needed to be strengthened to take on a sector-wide stewardship role.

Work on the performance and improvement framework will continue in the new financial year.

## Workforce diversification

We progressed work on a sector workforce diversification strategy as part of the Government's reform agenda. We began positioning diversity as a competitive lever for strategic advantage rather than a compliance and reporting activity.

We undertook extensive research to better understand the barriers to achieving diversity and inclusion goals, and the levers likely to have the greatest impact on performance. We also explored innovative strategies being used nationally and internationally to drive better outcomes.

We developed an ideas management community called [iThink](#) to harness the ideas of the sector's 140 000 employees. The first challenge, to open in the new financial year, is for ideas on diversity and inclusion. The ideas generated from this challenge will feed into the strategy and associated action plans.

iThink will continue to provide us with an opportunity to crowdsource ideas on issues and business challenges for the sector.

With a number of other Government commitments in the diversity area, we linked with agencies to maximise effective work in this challenging area.

We will continue to work with the sector and key stakeholders next year to progress this strategy which will include diversity targets and performance measures. This work will be underpinned by action plans for diversity groups under the EO Act.

## Role of the Director of Equal Opportunity in Public Employment

The Commission continued to support the statutory function of the Director of Equal Opportunity in Public Employment. A review of the delivery of the functions of the role commenced with the aim of devising a modern and meaningful approach for public authorities to develop their management plans for improving outcomes for people from diverse groups and eliminating discrimination. The review will continue next year.

## Aboriginal employment

During the year, 18 trainees from the 2018 and 2019 Aboriginal traineeship program cohort completed their traineeships and achieved the Certificate III in Government (Public Administration). The trainees were hosted by 16 agencies over a 12-month period. This compared to 22 trainees last year. We continued to work with agencies to secure ongoing employment for the trainees. We also began evaluating the program to ensure it delivers the best outcomes for participants.

We set up a pilot Aboriginal school-based traineeship program to commence in August 2019, providing public sector employment opportunities to Aboriginal students in Years 11 and 12.

We continued to facilitate the Jawun Indigenous Corporate Partnerships. One public sector employee was selected to be placed in an Aboriginal corporation in the Kimberley and will start their six week secondment next financial year.

We provided seven scholarships to Aboriginal employees to advance their careers in the sector. The employees participated in our Graduate Development Program.

## Youth employment

Our traineeship transition to employment, recruitment and referral service supported a range of traineeships and entry level employment outcomes by attracting and retaining young people into the public sector. In 2018/19, 19 full-time traineeship vacancy requests (50 last year) were raised by public sector agencies. These traineeship positions were offered across nine different agencies.

During the reporting period, we received 35 requests from agencies for school-based trainees (28 last year). We also received 47 requests from agencies (79 last year) for trainees who had completed their traineeships to be appointed to vacant full and part time entry level positions.

## Internships

In 2018/19, 14 agencies offered 34 unpaid public sector internships to university students. This was a significant increase from last year when 12 opportunities were provided at eight agencies. The projects enabled students to use their learning, knowledge and skills while gaining an appreciation for the work of the sector. In turn, internships supported agencies to deliver outcomes through additional resourcing and targeted work experience.

We played a lead role in forming a new partnership with the McCusker Centre for Citizenship Internship Program based at The University of Western Australia. We promoted the program widely across the sector and nine agencies took the opportunity to have 18 undergraduate and postgraduate student interns working on projects. Four students started internships with the Commission in June (for the semester break), learning about important social challenges while developing their skills to make a practical contribution. We committed to provide more McCusker internship opportunities in future years.

## Disability employment

A pilot traineeship program during the year provided a pathway for employment for six people with disability. Three completed their traineeships in June and were awarded a Certificate III in Government

(Public Administration), and three will complete their traineeships in December 2019. We engaged extensively with host agencies to better understand the support required to meet the needs of trainees and host agencies.

We supported the recruitment of people with disability by linking to the National Disability Recruitment Coordinators Vacancy Services. This involved updating the Recruitment Advertising Management System (RAMS), requiring employing authorities to indicate whether each vacancy can be advertised through the service.

## Women

The representation of women in senior leadership roles in the sector continued to be a focus.

Recognising that one of the greatest barriers to achieving outcomes is lack of visibility of the issue, we undertook an assessment of our current capabilities for data and analysis, and looked into a direction for better reporting. We will further explore opportunities next year.

To celebrate International Women's Day 2019, the Commissioner hosted a networking function for female directors general and emerging female leaders in their agencies. The Commission ran a debate for its staff in collaboration with the WA Debating League. It involved a lively and challenging debate by six female secondary school students on the topic "We regret the social narrative that women should strive to 'have it all'".

The Commissioner lent her support to the 16 days in WA to stop violence against women campaign in November. She was also part of a video, along with the Director General of the Department of the Premier and Cabinet, to raise the awareness of staff in the Commission and Department. In May, she spoke at a family and domestic violence prevention roundtable hosted by CEOs for Gender Equality.

# Workforce policy and legislation

## Workforce strategy for the sector

During the year, we started bringing together one strategy and narrative to describe the Government's intended outcomes and approach for the public sector workforce, and current and potential new initiatives.

While in its infancy, our work on this strategy focused on demystifying current instructions, legislation and policies; and devising ways for agencies to simplify their approaches to workforce matters. It will also prepare the sector to plan for future workforce capability requirements including identifying innovative employment pathways.

A key piece of work to support the development of the strategy was a review of Commission-issued compliance instruments as well as various legislative reviews of workforce including redeployment, redundancy, recruitment and right of return. Details of each of these are in this section.

To better service agencies, we introduced a new workforce advisory line in February and responded to 667 enquiries from then until the end of the financial year.

## Job security and stable employment

During the year, we established mechanisms to give effect to the Government's commitment to better job security for public sector employees, and a more stable and efficient sector through continuity of experienced employees.

On 2 July, we issued Commissioner's Instruction No. 22 (interim arrangements for TAFE colleges to appoint certain fixed term contract lecturers to permanent positions); and on 10 August, we issued Commissioner's Instruction No. 23 (converting and appointing fixed term contract and casual employees to permanency).

These complemented Commissioner's Instruction No. 2 (filling public sector vacancies) which provided for the transition from non-secure to permanent employment in certain circumstances.

The instructions supported permanent employment wherever possible; and the use of fixed term contract

and casual arrangements only where appropriate and in accordance with relevant industrial instruments.

To assist human resources practitioners to comply with the instructions, we ran information sessions in partnership with the Department of Mines, Industry Regulation and Safety's Public Sector Labour Relations branch.

In August, 240 people from 48 agencies attended sessions about Commissioner's Instruction No. 23 and its procedural requirements.

In November and December, we ran a further four sessions for agencies on implementing the instruction, with 74 people from 36 agencies attending. An additional session was conducted by teleconference.

In June, we convened four sessions to gather feedback from agencies on implementation, progress and learning to date. Seventy (70) people from 39 agencies attended.

Between 10 August and 30 June, agencies reported that 2690 employees had been made permanent. This comprised 274 TAFE lecturers under Commissioner's Instruction No. 22; 1073 employees under Commissioner's Instruction No. 23; and 1343 employees under Commissioner's Instruction No. 2.

Our staff, along with Public Sector Labour Relations staff and Unions WA, met regularly throughout the year to monitor and evaluate progress.

In April, we provided information to assist public sector employees and employers where employees are nominating as candidates or otherwise participating in elections.

## Sector recruitment, redeployment and redundancy

In 2018/19, through the RAMS system that we manage, 15 895 vacant positions were posted to the WA Government Jobs Board ([www.jobs.wa.gov.au](http://www.jobs.wa.gov.au)) – an average of 1325 positions each month.

In 2018/19, 233 employees from across the sector received voluntary severances with payments totalling \$27.4 million. In addition, seven payments totalling \$1.1 million were made under section 59 of the PSM Act (executive officers' compensation for early termination of employment contracts).

One employee was registered for redeployment and one was retained in the sector. At 30 June, there were no registered employees.

## Machinery of government support

Further to the machinery of government changes, during the year we played a role in:

- progressing the administrative merger of LandCorp and the Metropolitan Redevelopment Authority
- developing legislation to establish Infrastructure WA to improve infrastructure coordination
- progressing the reform program to strengthen governance and accountability arrangements for government trading enterprises.

We also played a role in progressing the amalgamation of Lotterywest and Healthway through supporting the transition of Healthway staff to Lotterywest. To achieve this, in November we issued Commissioner's Instruction No. 24: Interim Arrangements for Lotterywest to Fill Certain Public Sector Vacancies. This instruction ceased to operate in January and was rescinded shortly thereafter.

## Policy and legislative reform

### Compliance instruments

We commenced consolidating the suite of compliance instruments we issue and administer to ensure they remain contemporary, and to minimise compliance and reporting obligations of agencies.

This complemented similar work by other agencies to rationalise compliance instruments. It also aligned with recommendations of the Service Priority Review to strengthen central agency leadership and improve regulatory design.

### Review of Part 6 of the PSM Act

To improve efficiency and effectiveness, and clarify arrangements for redeployment and redundancy, we commenced a statutory review of Part 6 of the PSM Act as inserted by the *Workforce Reform Act 2014*. We identified areas for change by legislative amendment (to the PSM Act and associated Regulations) and adjustment to the relevant Commissioner's instruction.

### Managing temporary personnel

We commenced a review of Approved Procedure 5: Approved Contracts for Services Procedures in consultation with stakeholders. The procedure outlines appropriate circumstances for use of contracts for service including temporary personnel.

This complemented reforms developed in partnership with the Department of Finance to ensure temporary personnel (labour hire) are engaged and deployed appropriately.

We provided agencies with information to help them review their temporary personnel usage and replace ongoing use of temporary personnel with permanent positions.

### Public and Health Sector Legislation Amendment (Right of Return) Bill 2018

As part of the Government's commitment to reduce termination payouts to senior public sector employees, and provide long term savings to Western Australian taxpayers, it introduced into Parliament the *Public and Health Sector Legislation Amendment (Right of Return) Bill* in August.

We provided administrative and advisory services to the Government to support the Bill's passage through the Legislative Assembly in September.

### Salaries and Allowances Amendment Regulations 2018

We progressed amendments to the Regulations under the *Salaries and Allowances Act 1975* to exclude relevant kinds or classes of remuneration from the Government's pay freeze. The amended Regulations provided the Salaries and Allowances Tribunal to apply increases in remuneration under industrial agreements, legislation and other external instruments referenced in its determinations. The amendments were gazetted on 6 July.

We progressed regulations to bring the remuneration of chief executives officers of government trading enterprises under the jurisdiction of the Salaries and Allowances Tribunal. The amendments were gazetted on 10 August.

# Integrity and risk

## Focus on improvement

As part of a continuous improvement approach, we took the opportunity to look at how we oversee misconduct by public officers.

In August, we and the CCC issued an updated set of notifying guidelines for principal officers to clarify reporting obligations for agencies.

In December, we amended our internal delegations to allow a greater number of matters to be handled at manager and executive director levels rather than by the Commissioner. This streamlined approvals and documentation for decisions on the majority of minor misconduct matters. The Commissioner retained responsibility for matters relating to senior (tiers 1 and 2) agency staff and heads of integrity and internal audit areas.

A greater number of matters was referred back to agencies for action without the need for any further notification to us. This allowed us to have more strategic oversight of misconduct matters and ensure our oversight processes were efficient, effective and added value. We selected matters for oversight based on potential risk or need such as agencies that did not report often or where there had recently been issues; agencies that may not have well developed capability to handle matters; matters that were serious or systemic; the nature of the matter; seniority and track record of officers involved; and any notable public interest in the matter.

## Integrity strategy

As part of strengthening integrity, we commenced work on a whole-of-sector integrity strategy. The strategy will position the Commission as the functional area leader for integrity while also recognising the role that public sector leaders and all employees play in building and sustaining integrity.

In developing this strategy, we began investigating options for greater use of proactive reviews to examine the capacity of public authorities to handle misconduct matters. Options may include specific and thematic reviews to identify areas of good practice and areas for improvement to assist agencies to review and revise their integrity processes and practices. Work will progress next year.

## Integrity promotion

We provided training and information sessions to assist public authorities to build ethical cultures and understand their obligations under the PSM Act, CCM Act and PID Act.

In 2018/19, we delivered 64 integrity promotion sessions to 1984 participants (84 sessions to 1964 participants last year). We delivered 24 sessions in regional areas to 457 participants – 23% of all program participants. WebEx facilities were used in some sessions so regional participants could interact during the sessions.

In June we partnered with the CCC to hold an integrity forum. The forum was attended by nearly 200 senior public sector leaders including chief executive officers, chief human resource officers and integrity officers. Gill Callister PSM, former head of the Victorian Department of Education and Training, presented on restoring trust and integrity at the agency following two significant anti-corruption reports. The forum was well received and provided key learning and messages for our sector.

We also supported authorities to understand and meet their obligations under the PID Act. This included assisting public authorities to develop their PID procedures, distributing information and delivering training on the PID Act to PID officers. Specific details are in Tables 10 to 14.



## Investigations support

As part of our prevention and education function under the CCM Act, we continued to enhance the capability of public officers who conduct investigations. During the year, 33 officers (73 last year) undertook the Certificate IV in Government Investigations. We targeted specific public authorities to increase their capacity to conduct administrative investigations, by developing practical skills and knowledge of employees responsible for conducting or overseeing investigations. Since 2015, 295 officers have completed the qualification.

## Advisory and consulting services

Through our integrity advisory line, we responded to or initiated 1481 enquiries to assist individuals and public authorities with conduct, integrity and ethical matters. There were 1888 matters discussed of which 391 related to minor misconduct and integrity, and 129 related to public interest disclosures.

As part of a wider review of client services, we found that many calls to the integrity line were related to workforce matters more broadly rather than integrity matters specifically. To better service agencies, we introduced a new workforce advisory line in February to respond to queries about workforce matters (see ['Workforce policy and legislation'](#)).

With this change, enquiries to the integrity advisory line cannot be compared with figures provided in previous annual reports.

## Reviews of public sector operations

During 2018-19, we commenced, progressed or finalised the following reviews:

- Review into the Department of Fire and Emergency Services' response to a complaint and approach to gender inclusion – report tabled in Parliament on 27 July.
- Review into arrangements to manage confidential patient information in WA Health – report tabled in Parliament on 15 August.
- Review into the governance and administrative arrangements in place in the Department of the Premier and Cabinet – report not completed by the end of the financial year.
- Review of the governance and administrative arrangements in place in the North Metropolitan Health Service and, where relevant, Department of Health – report with the Minister for Health.
- Review of a public sector agency's management of a disciplinary process.

**Table 10: Integrity and misconduct**

Topic	Sessions	Participants
Integrity forum and mentoring session	2	231
Misconduct prevention: An introductory workshop for managers	17	699
Integrity in recruitment	11	213
Understanding the influences underpinning conflicts of interest	2	18
Accountable and ethical decision making (CEOs)	1	11
Accountable and ethical decision making (Commission Corporate Executive, ministerial officers)	2	32
Certificate IV in Government Investigations	2	33
Induction and graduate induction	3	161
On request integrity sessions (developed for agency specific requirements)	3	220

**Table 11: Public interest disclosure**

Topic	Sessions	Participants
Navigating the PID Act: Information for PID officers	6	56
PID awareness: Information for PID officers and managers	6	81

**Table 12: Breach of standards claims**

Topic	Sessions	Participants
Managing breach of public sector standards claims	2	21

**Table 13: Local government**

Topic	Sessions	Participants
Reflections of the CCM Act: Local government content specific	5	171

**Table 14: Public universities**

Topic	Sessions	Participants
Ethics and misconduct	2	37

## Overseeing minor misconduct

In 2018/19, we received 478 minor misconduct matters (599 last year) which we assessed and took appropriate action on. The decrease in the number of matters may partly be attributed to the settling of the sector following machinery of government changes. We also reviewed actions taken by public authorities where appropriate. At 30 June, 94.6% of the matters had been handled by the Commission, with 5.4% pending assessment or requiring further preliminary enquiries.

On average, we handled minor misconduct matters in 33.7 days (32.3 days last year). This did not include time taken by authorities to investigate matters. Further details are at [Appendix B](#).

## Breach of public sector standards

We completed 123 breach of standard claims in 2018/19 (97 last year). Of those, three claims against the Grievance Resolution Standard were substantiated. When managing claims, we provided assistance to agencies by identifying opportunities for practice improvement in human resources processes.

## Matters of referral

Unsolicited correspondence and contact about matters involving public sector integrity, management and administration are collectively called 'matters of referral'. In total, we completed 29 matters of referral in 2018/19 (36 last year).

### Complexity of oversight matters

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 2018/19 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 increased since the last reporting period.

**Table 15: Percentage of matters of referral and breach of standard claims completed within timeframe**

Category	2017/18 (%)	2018/19 (%)
Simple (30 days)	92	96
Routine (50 days)	84	88
Complex (120 days)	88	91
<b>Average</b>	<b>86</b>	<b>90</b>

## Public interest disclosure

We received three public interest disclosure matters in relation to other agencies in 2018/19. These were all actioned as required under the PID Act. As the Commission, we received no public interest disclosure matters.

## Lobbyists

We continued to be responsible for administering the:

- *Integrity (Lobbyists) Act 2016* including the Register of Lobbyists
- Code of Conduct for Registrants and Lobbyists
- Commissioner's Instruction No 16: Government Representatives Contact with Registrants and Lobbyists.

Each quarter, 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 confirmed the information and ensured changes were reflected on the register. During 2018/19, 735 lots of registration details were confirmed (641 last year).

At 30 June, there were 120 registrants (118 last year) on the register and 245 individuals (248 last year) listed as lobbyists.

## Internal audit and risk

Three internal audits were commenced and completed during the year into the Commission's general financial controls, procurement compliance and minor misconduct processes. These were referred to the Audit and Risk Committee to advise the Commissioner on action taken to respond to matters raised, and help identify and disseminate good practice.

The committee also received and reviewed an external audit of our financial management to ensure the integrity of our financial systems. We received a clean audit opinion in 2018/19 in relation to our financial statements, controls and key performance indicators.

Our internal audit function worked on developing new reporting tools to help track progress over time on internal and external audit recommendations. These tools will facilitate reporting in the coming year to Corporate Executive on any significant risks that may require attention.

In June, we ended our longstanding relationship with Stantons International Audit and Consulting Pty Ltd as our internal auditors. A competitive quote process led to the engagement of RSM Australia Pty Ltd as our new internal auditors for the coming financial year.

In June, we commenced a review of our risk management policy, framework and registers to ensure they remain fit for purpose against contemporary practice. This work, along with revising our internal audit charter, will be completed by December 2019.

## Executive Master for Executive Director

**Executive Director Sonja Cox (pictured left) topped the class in the ANZSOG Executive Master of Public Administration, receiving the Dean's Award for the best overall academic performance. She combined work, study and family over two years – with travel to Melbourne, Sydney, Singapore and Wellington (New Zealand).**

**The program is a postgraduate qualification to meet the needs of today's senior leaders. It combines theory and practical application, and incorporates information from a wide range of academic disciplines and professional specialisations. It includes elective units, a core curriculum of subjects including public financial management, and an applied work based research project.**



# Collecting and reporting data

The Commission continued to monitor the sector through annual surveys and quarterly workforce data collection, relying on public authorities to provide accurate and timely data to ensure the integrity of our reporting to Parliament and the community.

## Employee Perception Survey

In response to the McGregor review, in 2018/19 we examined our approach to the annual Employee Perception Survey. In the past, we administered the survey 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 gauged.

Rather than conducting a survey this year, we commenced exploring options for a whole-of-sector census to gather data to inform future workforce strategies, provide for comparative analysis of the sector and inform the new agency capability reviews being developed.

## Public Sector Entity Survey

We sent out the Public Sector Entity Survey 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.

Entity level responses are published in the [State of the Sector statistical bulletin](#).

## Integrity and Conduct Survey

We sent out this survey in July to local governments, public universities, other authorities, and government boards and committees for information about their policies and processes on public interest disclosure, conduct, and prevention and education related activities.

Entity level responses are published in the [State of the Sector statistical bulletin](#).

## Human Resources Minimum Obligatory Information Requirement

On a quarterly basis, we collected and reported Human Resources Minimum Obligatory Information Requirement (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, to support evidence-based policy formation and for other sector workforce related matters.

Public sector FTE levels are published in the [Quarterly Workforce Report](#) while the [State of the Sector statistical bulletin](#) gives key HRMOIR workforce statistics at entity and sector levels.

## Equal Employment Opportunity Survey

We sent out this survey in June on behalf of the Director of Equal Opportunity in Public Employment and collected workforce information from local governments, public universities and other authorities that did not participate in the HRMOIR collection.

It focused 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 is published in the [Director of Equal Opportunity in Public Employment annual report](#).

## Requests for data

We managed a number of ad hoc requests for data including from central government agencies. 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 at [www.data.gov.au](http://www.data.gov.au).

# Other legal and policy requirements

## Disability access and inclusion

Through our 2015-2020 plan we continued to provide equitable and inclusive access for people with disability to our services, facilities and information. During the year, we:

- commenced a six-month arrangement where a staff member from the National Disability Services WA worked one day a week on public sector employment strategies for people with disability
- promoted vacancies through the National Disability Recruitment Coordinator
- coordinated and funded an adult people with disability (sector-wide) pilot traineeship program with recruitment and selection undertaken with the coordinator
- published new and updated content primarily in html web pages on our intranet and internet
- developed a personal emergency evacuation plan for an employee with mobility considerations
- further supported an employee with sight impairment with access to improved software and compatibility enhancements, and accommodated accessibility needs for a new multifunction printing device.

In accordance with the *Disability Service Act 1993*, a report was submitted to the Department of Communities on progress against strategies in our plan.

## Substantive equality

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 were reviewed during the year 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 resources policies, procedures and guidelines.

Amendments were also made to the Annual Reporting Guidelines for the sector on behalf of the Equal Opportunity Commission to require public agencies to report on progress in implementing the Equal Opportunity Policy Framework.

## Supporting diversity and inclusion

Through our reconciliation action plan, we committed to furthering advancement and equality for our Aboriginal staff through understanding, acknowledgement, recognition, career development, 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 inclusion through targeted recruitment for people with disability and Aboriginal trainees.

## Record keeping plan

Our record keeping plan recognised that record keeping services were provided through a service arrangement with the Department of the Premier and Cabinet.

Accordingly, we shared common records management procedures and a controlled vocabulary with the Department. These were both reviewed during the year. We provided online awareness training to staff as part of our induction program.

## Advertising expenditure

In accordance with Section 175ZE of the *Electoral Act 1907*, we incurred expenditure of \$211 688 with advertising agencies, market research companies and media advertising organisations. We did not incur any expenditure with polling and direct mail companies.

**Table 16: Incurred advertising expenditure**

<b>Advertising agencies</b>	
Rare Advertising and Digital	\$21 440
<b>Market research companies</b>	
Kantar	\$44 000
<b>Media advertising organisations</b>	
Adcorp Australia Limited <sup>1</sup>	\$52 379
Initiative Media Australia Pty Ltd <sup>1</sup>	\$93 869

<sup>1</sup> CEO recruitment expenditure is recouped from the respective agencies.

## Compliance with public sector standards and ethical codes

We complied with the Public Sector Standards in Human Resource Management and Western Australian Public Sector Code of Ethics. We informed new staff of these standards as part of our induction process, ran accountable and ethical decision making training, and published information on our intranet.

Staff in our human resources branch provided advice, support and guidance to managers and staff 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 for breach of standard review and corresponding outcomes for the reporting period are in Table 17.

**Table 17: Applications for breach of standard and corresponding outcomes for 2018/19**

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

## Freedom of information

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

## Salaries and Allowances Tribunal

The Salaries and Allowances 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, judiciary and a range of senior State and local government office holders.

The Treasurer has determined the Tribunal is an affiliated body of the Commission in accordance with Section 60(1)(b) of the FM Act.

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 8.5 is included in our [Financial Statements](#).

## Occupational safety and health

Corporate Executive, our Occupational Safety and Health (OSH) Committee and all staff worked together to achieve excellence in OSH and injury management.

During the year, Corporate Executive developed and endorsed a leadership commitment to a safe and healthy workplace in line with the Government's vision for the sector. Corporate Executive also agreed that OSH would be an agenda item at all division meetings.

We supported and promoted staff health and wellbeing through return to work programs, reasonable workplace adjustments, at work influenza vaccinations, corporate health fund discounts, resuscitation training, ergonomic assessments and sit-stand desks.

Staff had the opportunity to participate in mental health awareness training, superannuation/retirement planning sessions and community events. We provided staff and their immediate families with 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 policies and procedures were available to staff on our intranet. We provided training and refresher training to five OSH representatives.

We had six trained contact officers to assist staff affected by family and domestic violence and their line managers to develop temporary workplace safety plan agreements.

Trained first aid officers were located throughout the Commission to ensure immediate assistance was available when required.

We assessed our OSH management system in accordance with WorkSafe criteria as set out in the WorkSafe plan. The system continued to meet compliance requirements with 100% of the agreed actions completed. We had no lost time injuries during the period.

Table 18 provides actual results for 2018/19 against targets specified in [Public Sector Commissioner's Circular 2018-03: Code of Practice Occupational Safety and Health in the Western Australian Public Sector](#).

**Table 18: Safety health and injury management performance reporting**

Key efficiency indicator	2018/19	2017/18	2016/17	Target	Comment
Number of fatalities	0	0	0	0	Achieved
Lost time injury/disease incidence rate	0	0	0	0 or 10% improvement on the previous three years	Achieved
Lost time injury/disease severity rate	0	0	0	0 or 10% reduction	Achieved
Percentage of injured workers returned to work within 13 weeks	0	N/A	N/A	Greater than or equal to 80% return to work within 26 weeks	Achieved
Percentage of injured workers returned to work within 26 weeks	0	N/A	N/A	Greater than or equal to 80% return to work within 26 weeks	Achieved
Percentage of managers trained in OSH and injury management responsibilities	83%	81%	94%	Greater than or equal to 80%	Exceeded

## Unauthorised use of credit cards

Staff were reminded of their obligations under the corporate credit card policy regularly. In 2018/19, one member of staff inadvertently used the corporate credit card for personal use expenditure which was settled promptly.

**Table 19: Unauthorised use of credit cards in 2018/19**

Aggregate amount of personal use expenditure for the reporting period	\$4.50
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	\$4.50



## Building public trust and ethical cultures forum

Restoring trust and integrity to public sector agencies has been the aim of the game for Gill Callister PSM.

Nearly 200 senior staff from across the sector heard from Ms Callister at an integrity forum in June. She told of her experiences in restoring trust in and building integrity as head at the Victorian Department of Education and Training following two significant anti-corruption reports. She shared her wealth of knowledge, along with her approach to the reports' recommendations to rebuild the department's systems, culture and leadership.

Ms Callister is Professor and Associate Dean at the Australia and New Zealand School of Government (ANZSOG).

The forum was jointly hosted by the Public Sector Commission and Corruption and Crime Commission.

Pictured (left to right): Public Sector Commissioner Sharyn O'Neill, Gill Callister PSM and Corruption and Crime Commissioner John McKechnie.



# Financial statements

## Certification of financial statements

### for the reporting period ended 30 June 2019

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 2019 and the financial position as at 30 June 2019.

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

23 August 2019



SHAUN MCLEOD  
CHIEF FINANCE OFFICER

23 August 2019

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## 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 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, 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 2019 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 Commissioner for the Financial Statements**

The 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 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 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 Commissioner.
- Conclude on the appropriateness of the 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 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 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 2019.

#### ***The Commissioner's Responsibilities***

The 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 2019. 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 2019.

**The Commissioner's Responsibility for the Key Performance Indicators**

The 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 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 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 2019 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  
28 August 2019

## Statement of comprehensive income

For the year ended 30 June 2019

	Note	2019 \$000	2018 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	2.1(a)	14 096	18 223
Supplies and services	2.3	5 347	3 449
Depreciation expense	4.1.1	31	46
Accommodation expenses	2.4	2 323	2 063
Grants and subsidies	2.2	487	1 042
Loss on disposal of non-current assets	2.6	-	73
Other expenses	2.5	57	56
<b>Total cost of services</b>		<b>22 341</b>	<b>24 952</b>
<b>Income</b>			
<i>Revenue</i>			
User charges and fees	3.2	231	96
Other revenue	3.3	355	186
<b>Total revenue</b>		<b>586</b>	<b>282</b>
<b>Total income other than income from State Government</b>		<b>586</b>	<b>282</b>
<b>NET COST OF SERVICES</b>		<b>21 755</b>	<b>24 670</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
Service appropriation	3.1	24 257	25 063
Services received free of charge	3.1	1 340	1 053
Royalties for Regions Fund	3.1	11	22
<b>Total income from State Government</b>		<b>25 608</b>	<b>26 138</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>3 853</b>	<b>1 468</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>3 853</b>	<b>1 468</b>

The 'Statement of Comprehensive Income' should be read in conjunction with the accompanying notes.

## Statement of financial position

As at 30 June 2019

	Note	2019 \$000	2018 \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6.1	13 150	10 927
Receivables	5.1	1 316	565
Amounts receivable for services	5.2	117	104
Other current assets	5.3	355	228
<b>Total current assets</b>		<b>14 938</b>	<b>11 824</b>
<b>Non-current assets</b>			
Restricted cash and cash equivalents	6.1	173	123
Amounts receivable for services	5.2	6 831	6 879
Property, plant and equipment	4.1	133	106
Other non-current assets	5.3	14	-
<b>Total non-current assets</b>		<b>7 151</b>	<b>7 108</b>
<b>TOTAL ASSETS</b>		<b>22 089</b>	<b>18 932</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	5.4	1 405	1 017
Employee related provisions	2.1(b)	3 027	4 154
Other current liabilities	5.5	20	114
<b>Total current liabilities</b>		<b>4 452</b>	<b>5 285</b>
<b>Non-current liabilities</b>			
Employee related provisions	2.1(b)	668	531
<b>Total non-current liabilities</b>		<b>668</b>	<b>531</b>
<b>TOTAL LIABILITIES</b>		<b>5 120</b>	<b>5 816</b>
<b>NET ASSETS</b>		<b>16 969</b>	<b>13 116</b>
<b>EQUITY</b>			
Accumulated surplus/(deficit)	8.7	16 969	13 116
<b>TOTAL EQUITY</b>		<b>16 969</b>	<b>13 116</b>

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 2019

	Note	Contributed equity \$000	Accumulated surplus/(deficit) \$000	Total equity \$000
<b>Balance as at 1 July 2017</b>		-	14 579	14 579
Surplus/(deficit)		-	1 468	1 468
Total comprehensive income for the period		-	1 468	1 468
Transactions with owners in their capacity as owners:				
Distribution to owners - transfer of surplus cash to Consolidated Account		(2 931)	-	(2 931)
Transfer of debit balance to Accumulated Surplus		2 931	(2 931)	-
<b>Balance as at 30 June 2018</b>	8.7	-	<b>13 116</b>	<b>13 116</b>
<b>Balance as at 1 July 2018</b>		-	13 116	13 116
Surplus/(deficit)		-	3 853	3 853
Total comprehensive income for the period		-	3 853	3 853
<b>Balance as at 30 June 2019</b>	8.7	-	<b>16 969</b>	<b>16 969</b>

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 2019

	Note	2019 \$000	2018 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		24 188	24 882
Holding account drawdown		104	226
Non-retained revenue distributed to owner		-	(2 931)
Royalties for Regions Fund		11	22
<b>Net cash provided by State Government</b>		<b>24 303</b>	<b>22 199</b>
<i>Utilised as follows</i>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(15 142)	(19 167)
Supplies and services		(4 082)	(2 683)
Accommodation		(2 323)	(2 063)
Grants and subsidies		(778)	(609)
GST payments on purchases		(682)	(503)
<b>Receipts</b>			
User charges and fees		123	93
GST receipts on sales		21	17
GST receipts from taxation authority		609	451
Other receipts		261	552
<b>Net cash provided by/(used in) operating activities</b>		<b>(21 993)</b>	<b>(23 912)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current assets		(37)	(9)
<b>Net cash provided by/(used in) investing activities</b>		<b>(37)</b>	<b>(9)</b>
Net increase/(decrease) in cash and cash equivalents		2 273	(1 722)
Cash and cash equivalents at the beginning of period		11 050	12 772
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	6.1	<b>13 323</b>	<b>11 050</b>

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 2019

	2019 Estimate \$000	2019 Actual \$000	Variance \$000	2019 Actual \$000	2018 Actual \$000	Variance \$000
<b>DELIVERY OF SERVICES</b>						
Item 7 - Net amount appropriated to deliver services	23 632	23 466	( 166)	23 466	24 272	(806)
Amount authorised by Other Statutes						
- <i>Salaries and Allowances Act 1975</i>	791	791	-	791	791	-
<b>Total appropriations provided to deliver services</b>	<b>24 423</b>	<b>24 257</b>	<b>( 166)</b>	<b>24 257</b>	<b>25 063</b>	<b>(806)</b>
<b>Details of expenses by service</b>						
Service 1 - Public sector leadership	6 928	7 455	527	7 455	5 623	1 832
Service 2 - Assistance and support	10 722	7 573	(3 149)	7 573	11 293	(3 720)
Service 3 - Oversight and reporting	8 804	7 313	(1 491)	7 313	8 036	(723)
Total cost of services	<b>26 454</b>	<b>22 341</b>	<b>(4 113)</b>	<b>22 341</b>	<b>24 952</b>	<b>(2 611)</b>
Less total income	( 532)	(586)	( 54)	(586)	(282)	(304)
<b>Net cost of services</b>	<b>25 922</b>	<b>21 755</b>	<b>(4 167)</b>	<b>21 755</b>	<b>24 670</b>	<b>(2 915)</b>
Adjustments	(1 499)	2 502	4 001	2 502	393	2 109
<b>Total appropriations provided to deliver services</b>	<b>24 423</b>	<b>24 257</b>	<b>( 166)</b>	<b>24 257</b>	<b>25 063</b>	<b>(806)</b>
<b>Capital expenditure</b>						
Purchase of non-current assets	104	37	(67)	37	9	28
Adjustments for other funding sources	(104)	(37)	67	(37)	(9)	(28)
<b>Capital appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Note 8.9 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2019 and between actual results for 2019 and 2018.

## 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 23 August 2019.

### 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 **TIs**)
- 3) Australian Accounting Standards (**AASs**) - Reduced Disclosure Requirements
- 4) Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The FMA and the TIs take precedence over AASs. Several AASs 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 Use of our funding

### Expenses incurred in the delivery of services

This section provides additional information about how the Commission's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Commission in achieving its objectives and the relevant notes are:

	Notes	2019 \$000	2018 \$000
Employee benefits expenses	2.1 (a)	14 096	18 223
Employee related provisions	2.1 (b)	3 695	4 685
Grants and subsidies	2.2	487	1 042
Supplies and services	2.3	5 347	3 449
Accommodation expenses	2.4	2 323	2 063
Other expenses	2.5	57	56
Loss on disposal of non-current assets	2.6	-	73

### Note 2.1 (a) Employee benefits expenses

	2019 \$000	2018 \$000
Wages and salaries	12 530	14 476
Termination benefits	325	2 214
Superannuation - defined contribution plans <sup>(a)</sup>	1 241	1 533
<b>Total employee benefits expense</b>	<b>14 096</b>	<b>18 223</b>

(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 benefits tax, and leave entitlements.

### 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 Commission 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 employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the 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 Commission to GESB extinguishes the Commission'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 Commission 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.

### Note 2.1 (b) Employee related provisions

	2019 \$000	2018 \$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.		
<b>Current</b>		
Employee benefits provisions	1 099	1 223
Annual leave <sup>(a)</sup>	1 912	2 910
Long service leave <sup>(b)</sup>	<b>3 011</b>	<b>4 133</b>
<u>Other provisions</u>		
Employment on-costs <sup>(c)</sup>	16	21
<b>Total current employee related provisions</b>	<b>3 027</b>	<b>4 154</b>
<b>Non-current</b>		
Employee benefits provisions		
Long service leave <sup>(b)</sup>	664	528
	<b>664</b>	<b>528</b>
<u>Other provisions</u>		
Employment on-costs <sup>(c)</sup>	4	3
<b>Total non-current employee related provisions</b>	<b>668</b>	<b>531</b>
<b>Total employee related provisions</b>	<b>3 695</b>	<b>4 685</b>

2019	2018
\$000	\$000

(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.

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.

(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.

The provision for long service leave is 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 2.5 (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'.

	2019	2018
	\$000	\$000
<b>Employment on-costs provision</b>		
Carrying amount at start of period	24	27
Additional/(reversals of) provisions recognised	-	-
Payments/other sacrifices of economic benefits	(4)	(3)
Unwinding of the discount	-	-
<b>Carrying amount at end of period</b>	<b>20</b>	<b>24</b>

### 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 2.2 Grants and subsidies

	2019 \$000	2018 \$000
Government agency grants	40	355
Sponsorships	20	10
External grants	427	677
<b>Total grants expenses</b>	<b>487</b>	<b>1 042</b>

Transactions in which the Commission 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 2.3 Supplies and services

	2019 \$000	2018 \$000
Communications	24	36
Consultants and contractors	3 948	2 456
Consumables	442	232
Repairs and maintenance	29	41
Travel	42	51
Insurance premiums	86	101
Licences, fees and registration	214	162
Operating lease, rental and hire cost	56	97
Non-staff training initiatives	289	208
Other	217	65
<b>Total supplies and services</b>	<b>5 347</b>	<b>3 449</b>

### 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.

### Repairs and maintenance

Recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

### Other

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.



## Note 2.4 Accommodation expenses

	2019 \$000	2018 \$000
Lease rentals	2 323	2 063
<b>Total accommodation expenses</b>	<b>2 323</b>	<b>2 063</b>

### 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.

## Note 2.5 Other expenses

	2019 \$000	2018 \$000
Employment on-costs	(3)	(3)
Professional services	59	58
Bad Debts - Written Off	1	1
<b>Total other expenses</b>	<b>57</b>	<b>56</b>

### 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 2.1 (b) Employee related provisions. 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 8.6 'Remuneration of auditor'.

## Note 2.6 Loss on disposal of non-current assets

	2019 \$000	2018 \$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)
<b>Net gain/(loss)</b>	<b>-</b>	<b>(73)</b>

Realised gain and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

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 3 Our funding sources

### How we obtain our funding

This section provides additional information about how the Commission obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Commission and the relevant notes are:

	Notes	2019 \$000	2018 \$000
Income from State Government	3.1	25 608	26 138
User charges and fees	3.2	231	96
Other revenue	3.3	355	186

### Note 3.1 Income from State Government

	2019 \$000	2018 \$000
Appropriation received during the period:		
Service appropriation <sup>(a)</sup>	24 257	25 063
Services received free of charge from other State government agencies during the period:		
Department of the Premier and Cabinet - corporate support services <sup>(b)</sup>	577	537
Department of Finance - accommodation lease services <sup>(b)</sup>	671	404
Department of Justice - legal services <sup>(b)</sup>	91	112
Department of Education - recruitment panel services <sup>(b)</sup>	1	-
<b>Total services received</b>	<b>1 340</b>	<b>1 053</b>
Royalties for Regions Fund:		
Regional Community Services Account - Regional Workers Incentive <sup>(c)</sup>	11	22
<b>Total Royalties for Regions Fund</b>	<b>11</b>	<b>22</b>
<b>Total income from State Government</b>	<b>25 608</b>	<b>26 138</b>

(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 delivered. Appropriation revenue comprises the following:

- Cash component; and
- A receivable (asset)

The receivable (holding account - note 5.2) comprises the following:

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

(b) **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.

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

### Note 3.2 User charges and fees

	2019 \$000	2018 \$000
Fees	231	96
<b>Total charges and fees</b>	<b>231</b>	<b>96</b>

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.*

### Note 3.3 Other Revenue

	2019 \$000	2018 \$000
Recoups	11	36
Contributions by other government agencies	180	-
Contributions by senior officers to the Government Vehicle Scheme	15	20
Australian Apprenticeships Incentive Program	107	113
Other miscellaneous revenue	42	17
<b>Total other revenue</b>	<b>355</b>	<b>186</b>

## Note 4 Key assets

### Assets the Commission utilises for economic benefit or service potential

This section includes information regarding the key assets the Commission utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2019 \$000	2018 \$000
Property, plant and equipment	4.1	133	106
<b>Total key assets</b>		<b>133</b>	<b>106</b>

### Note 4.1 Property, plant and equipment

	Computer hardware \$000	Office equipment \$000	Leasehold improvement \$000	Furniture and fittings \$000	Total \$000
<b>1 July 2018</b>					
Gross carrying amount	29	161	31	57	278
Accumulated depreciation	(29)	(120)	(11)	(12)	(172)
<b>Carrying amount at start of period</b>	<b>-</b>	<b>41</b>	<b>20</b>	<b>45</b>	<b>106</b>
Additions	-	44	14	-	58
Transfers <sup>(a)</sup>	-	-	-	-	-
Other disposals	-	-	-	-	-
Impairment losses <sup>(b)</sup>	-	-	-	-	-
Impairment losses reversed <sup>(b)</sup>	-	-	-	-	-

	Computer hardware \$000	Office equipment \$000	Leasehold improvement \$000	Furniture and fittings \$000	Total \$000
Depreciation	-	(19)	(6)	(6)	(31)
<b>Carrying amount at 30 June 2019</b>	<b>-</b>	<b>66</b>	<b>28</b>	<b>39</b>	<b>133</b>
Gross carrying amount	6	128	46	57	237
Accumulated depreciation	(6)	(62)	(18)	(18)	(104)
<b>Carrying amount at 30 June 2019</b>	<b>-</b>	<b>66</b>	<b>28</b>	<b>39</b>	<b>133</b>

(a) Transfers to other government agencies.

(b) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss.

## Initial recognition

Items of property, plant and equipment costing \$5 000 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 \$5 000 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 4.1.1 Depreciation and impairment

#### Charge for the period

	2019 \$000	2018 \$000
<b>Depreciation</b>		
Leasehold improvement	6	16
Computer hardware	-	2
Furniture and fittings	6	6
Office equipment	19	22
<b>Total depreciation for the period</b>	<b>31</b>	<b>46</b>

As at 30 June 2019, there were no indications of impairment to property, plant and equipment.

## Finite useful lives

All property, plant and equipment 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, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for the current and prior years are:

- Computer Hardware - 3 years
- Office Equipment - 5 years

- Leasehold Improvement - 5 to 10 years over the lease term and their useful lives, whichever is shorter.
- Furniture, Fixtures and Fittings - 10 years.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

## Impairment

Non-financial assets including items of plant and equipment, are tested for impairment whenever there is an indication that the asset 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 its recoverable amount, an impairment loss is recognised through profit or loss.

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, 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 reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

## Note 5 Other assets and liabilities

This section sets out those assets and liabilities that arose from the Commission's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2019 \$000	2018 \$000
Receivables	5.1	1 316	565
Amounts receivable for services	5.2	6 948	6 983
Other current assets	5.3	369	228
Payables	5.4	1 405	1 017
Other liabilities	5.5	20	114

### Note 5.1 Receivables

	2019 \$000	2018 \$000
<b>Current</b>		
Receivables	905	453
GST receivable	120	68
	<b>1 025</b>	<b>521</b>
Other debtors	295	48
Allowance for impairment of receivables	(4)	(4)
	<b>291</b>	<b>44</b>
<b>Total current</b>	<b>1 316</b>	<b>565</b>

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 of net receivables is equivalent to fair value as it is due for settlement within 30 days.

### Note 5.2 Amounts receivable for services (Holding account)

	2019 \$000	2018 \$000
Current	117	104
Non-current	6 831	6 879
<b>Balance at end of period</b>	<b>6 948</b>	<b>6 983</b>

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.

Amount receivables for services are considered not impaired (i.e. there is no expected credit loss of the Holding Account).

### Note 5.3 Other assets

	2019 \$000	2018 \$000
<b>Current</b>		
Prepayments	355	228
<b>Total current</b>	<b>355</b>	<b>228</b>
<b>Non-Current</b>		
Prepayments	14	-
<b>Total non-current</b>	<b>14</b>	<b>-</b>
<b>Balance at end of period</b>	<b>369</b>	<b>228</b>

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 5.4 Payables

	2019 \$000	2018 \$000
<b>Current</b>		
Payables	870	254
Accrued salaries	50	53
Accrued expenses	485	710
<b>Balance at end of period</b>	<b>1 405</b>	<b>1 017</b>

**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 after the reporting period. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see note 6.1 '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 5.5 Other liabilities

	2019 \$000	2018 \$000
<b>Current</b>		
Income received in advance	20	114
<b>Balance at end of period</b>	<b>20</b>	<b>114</b>

### Note 6 Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Commission.

	Notes	2019 \$000	2018 \$000
Cash and cash equivalents	6.1	13 323	11 050
Commitments	6.2	8 294	12 217
Non-cancellable operating lease commitments	6.2.1	6 819	10 044
Other expenditure commitments	6.2.2	1 475	2 173

### Note 6.1 Cash and cash equivalents

	2019 \$000	2018 \$000
<b>Current</b>		
Cash and cash equivalents	13 150	10 927
<b>Non-Current</b>		
Restricted cash and cash equivalents		
- Accrued salaries suspense account <sup>(a)</sup>	173	123
<b>Balance at end of period</b>	<b>13 323</b>	<b>11 050</b>

(a) Funds held in the suspense account 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.

For the purpose of the statement of cash flows, cash and cash equivalents (and restricted cash and cash equivalent) assets comprise cash on hand and at bank.

## Note 6.2 Commitments

### Note 6.2.1 Non-cancellable operating lease commitments

	2019 \$000	2018 \$000
Commitments for minimum lease payments are payable as follows		
Within 1 year	3 392	3 309
Later than 1 year and not later than 5 years	3 427	6 735
	<b>6 819</b>	<b>10 044</b>

The totals presented for non-cancellable operating lease commitments are GST inclusive.

Operating lease are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

The Commission has 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.

### Note 6.2.2 Other expenditure commitments

	2019 \$000	2018 \$000
Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows.		
Within 1 year	1 437	1 506
Later than 1 year and not later than 5 years	38	667
	<b>1475</b>	<b>2 173</b>

The totals presented for other expenditure commitments are GST inclusive.

### 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 7 Financial instruments and contingencies

	Notes
Financial instruments	7.1
Contingent assets	7.2.1
Contingent liabilities	7.2.2



## Note 7.1 Financial Instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2019 \$000	2018 \$000
<b>Financial assets</b>		
Cash and cash equivalents	13 323	11 050
Loans and receivables <sup>(a)</sup>	-	7 480
Financial assets at amortised cost <sup>(a)</sup>	8 144	-
<b>Total financial assets</b>	<b>21 467</b>	<b>18 530</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	1 405	1 017
<b>Total financial liability</b>	<b>1 405</b>	<b>1 017</b>

(a) The amount of Loans and receivables / Financial assets at amortised cost excludes GST recoverable from the Australian Taxation Office (statutory receivable).

## Note 7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

### Note 7.2.1 Contingent assets

The Commission has no contingent assets.

### Note 7.2.2 Contingent liabilities

The Commission has no contingent liabilities.

## Note 8 Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related party transactions	8.4
Affiliated bodies	8.5
Remuneration of auditors	8.6
Equity	8.7
Supplementary financial information	8.8
Explanatory statement	8.9

## Note 8.1 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 8.2 Initial application of Australian Accounting Standards

### AASB 9 Financial instruments

AASB 9 *Financial instruments* replaces AASB 139 *Financial instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Commission applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies but no adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Commission has not restated the comparative information which continues to be reported under AASB 139.

The Commission's receivables are mainly from wholly-owned public sector entities. The effect of adopting AASB 9 as at 1 July 2018 was assessed as not material, and therefore no adjustment was required to be recognised directly in the Accumulated Surplus.

The effect of adopting AASB 9 as at 1 July 2018 was as follows:

#### (a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Commission's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Commission's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Commission. The following are the changes in the classification of the Commission's financial assets:

- *Receivables and Amounts Receivables for Services* classified as 'Loans and Receivables' as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as financial assets at amortised cost beginning 1 July 2018.
- The Commission did not designate any financial assets as at fair value through P/L.

In summary, upon the adoption of AASB 9, the Commission had the following required (or elected) reclassifications as at 1 July 2018:

	Amortised cost \$000	Fair value through OCI \$000	Fair value through P/L \$000
<b>AASB139 category</b>			
Loans and Receivables:			
Receivables	497	-	-
Amounts receivables for services	6 983	-	-
	<b>7 480</b>	-	-

*(b) Impairment*

The adoption of AASB 9 has fundamentally changed the Commission's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

Upon adoption of AASB 9, the effect was not considered to be material, therefore no adjustment was made.

**Note 8.3 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:

	2019	2018
<b>Compensation Band (\$)</b>		
500 001 - 510 000	1	-
370 001 - 380 000	-	1
360 001 - 370 000	-	1
280 001 - 290 000	1	-
190 001 - 200 000	1	-
170 001 - 180 000	1	-
150 001 - 160 000	2	-
120 001 - 130 000	-	1
110 001 - 120 000	-	1
100 001 - 110 000	-	1
90 001 - 100 000	1	1
80 001 - 90 000	-	1
70 001 - 80 000	1	1
60 001 - 70 000	-	2
40 001 - 50 000	-	1
30 001 - 40 000	2	1
20 001 - 30 000	1	-
10 001 - 20 000	2	-
	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
<b>Total compensation of senior officers</b>	<b>1 759</b>	<b>1 528</b>

Total compensation includes the superannuation expense incurred by the Commission in respect of senior officers.

**Note 8.4 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)

**Material transactions with 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 8.5 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 \$1 101 000 for 2018/19 (\$1 091 000 for 2017/18).

**Note 8.6 Remuneration of auditors**

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

	2019 \$000	2018 \$000
Auditing the accounts, financial statements, controls and key performance indicators	59	58
<b>Total remuneration of auditor</b>	<b>59</b>	<b>58</b>

**Note 8.7 Equity**

	2019 \$000	2018 \$000
<b>Contributed equity</b>		
Balance at start of period	-	-
<u>Contributions by owners</u>		
Capital appropriations	-	-
<b>Total contributions by owners</b>	<b>-</b>	<b>-</b>
<u>Distributions to owners</u>		
Transfer of surplus cash to the Consolidated Account	-	(2 931)
<b>Total distributions to owners</b>	<b>-</b>	<b>(2 931)</b>
Transfer of debit balance to Accumulated Surplus	-	2 931
<b>Balance at end of period</b>	<b>-</b>	<b>-</b>

	2019 \$000	2018 \$000
<b>Accumulated surplus/(deficit)</b>		
Balance at the start of period	13 116	14 579
Transfer of debit balance to Accumulated Surplus	-	(2 931)
Result for the period	3 853	1 468
<b>Balance at end of period</b>	<b>16 969</b>	<b>13 116</b>
<b>Total Equity at the end of the period</b>	<b>16 969</b>	<b>13 116</b>

## Note 8.8 Supplementary financial information

### (a) Write-offs

During the financial year \$1 145 (2018: \$12 449) was written off as bad debts under the authority of:

	2019 \$000	2018 \$000
The Accountable Authority	1	12
The Minister	-	-
Executive Council	-	-
	<b>1</b>	<b>12</b>

### (b) Losses through theft, defaults and other causes

	2019 \$000	2018 \$000
Losses of public money through default - salary overpayments deemed unrecoverable	1	12

### Services provided free of charge

During the period the following service was provided to other agency free of charge for functions outside the normal operations of the Commission.

	2019 \$000	2018 \$000
Salaries and Allowances Tribunal		
Corporate Services	30	21
	<b>30</b>	<b>21</b>

## Note 8.9 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- 5% and \$499,000 for the Statements of Comprehensive Income and Cash Flows, and
- 5% and \$358,000 for the Statement of Financial Position.

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual for 2019 \$000	Variance between actual results for 2019 and 2018 \$000
<b>Statement of Comprehensive Income</b>						
<b>Expenses</b>						
Employee benefits expense	1, A	17 381	14 096	18 223	(3 285)	(4 127)
Supplies and services	B	5 227	5 347	3 449	120	1 898
Depreciation expense		169	31	46	(138)	(15)
Accommodation expenses	2	2 992	2 323	2 063	(669)	260
Grants and subsidies	C	591	487	1 042	(104)	(555)
Loss on disposal of non-current assets		-	-	73	-	(73)
Other expenses		94	57	56	(37)	1
<b>Total cost of services</b>		<b>26 454</b>	<b>22 341</b>	<b>24 952</b>	<b>(4 113)</b>	<b>(2 611)</b>
<b>Income</b>						
<b>Revenue</b>						
User charges and fees		424	231	96	(193)	135
Other revenue		108	355	186	247	169
<b>Total revenue</b>		<b>532</b>	<b>586</b>	<b>282</b>	<b>54</b>	<b>304</b>
<b>Total income other than income from State Government</b>		<b>532</b>	<b>586</b>	<b>282</b>	<b>54</b>	<b>304</b>
<b>NET COST OF SERVICES</b>		<b>25 922</b>	<b>21 755</b>	<b>24 670</b>	<b>(4 167)</b>	<b>(2 915)</b>
<b>INCOME FROM STATE GOVERNMENT</b>						
Service appropriation		24 423	24 257	25 063	(166)	(806)
Services received free of charge		1 346	1 340	1 053	(6)	287
Royalties for Regions Fund		35	11	22	(24)	(11)
<b>Total income from State Government</b>		<b>25 804</b>	<b>25 608</b>	<b>26 138</b>	<b>(196)</b>	<b>(530)</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(118)</b>	<b>3 853</b>	<b>1 468</b>	<b>3 971</b>	<b>2 385</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(118)</b>	<b>3 853</b>	<b>1 468</b>	<b>3 971</b>	<b>2 385</b>

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual for 2019 \$000	Variance between actual results for 2019 and 2018 \$000
<b>Statement of Financial Position</b>						
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		9 261	13 150	10 927	3 889	2 223
Receivables		828	1 316	565	488	751
Amounts receivable for services		104	117	104	13	13
Other current assets		381	355	228	(26)	127
<b>Total current assets</b>		<b>10 574</b>	<b>14 938</b>	<b>11 824</b>	<b>4 364</b>	<b>3 114</b>
<b>Non-current assets</b>						
Restricted cash and cash equivalents		203	173	123	(30)	50
Amounts receivable for services		6 944	6 831	6 879	( 113)	( 48)
Property, plant and equipment		99	133	106	34	27
Other non-current assets		58	14	-	(44)	14
<b>Total non-current assets</b>		<b>7 304</b>	<b>7 151</b>	<b>7 108</b>	<b>( 153)</b>	<b>43</b>
<b>TOTAL ASSETS</b>		<b>17 878</b>	<b>22 089</b>	<b>18 932</b>	<b>4 211</b>	<b>3 157</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Payables		1 111	1 405	1 017	294	388
Employee related provisions	3, D	4 525	3 027	4 154	(1 498)	(1 127)
Other current liabilities		50	20	114	(30)	(94)
<b>Total current liabilities</b>		<b>5 686</b>	<b>4 452</b>	<b>5 285</b>	<b>(1 234)</b>	<b>( 833)</b>
<b>Non-current liabilities</b>						
Employee related provisions		740	668	531	(72)	137
<b>Total non-current liabilities</b>		<b>740</b>	<b>668</b>	<b>531</b>	<b>(72)</b>	<b>137</b>
<b>TOTAL LIABILITIES</b>		<b>6 426</b>	<b>5 120</b>	<b>5 816</b>	<b>(1 306)</b>	<b>( 696)</b>
<b>NET ASSETS</b>		<b>11 452</b>	<b>16 969</b>	<b>13 116</b>	<b>5 517</b>	<b>3 853</b>
<b>EQUITY</b>						
Accumulated surplus/(deficit)		11 452	16 969	13 116	5 517	3 853
<b>TOTAL EQUITY</b>		<b>11 452</b>	<b>16 969</b>	<b>13 116</b>	<b>5 517</b>	<b>3 853</b>

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual for 2019 \$000	Variance between actual results for 2019 and 2018 \$000
<b>Statement of Cash Flows</b>						
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation		24 254	24 188	24 882	(66)	(694)
Holding account drawdown		104	104	226	-	(122)
Non-retained revenue distributed to owner	E	-	-	(2 931)	-	2 931
Royalties for Regions Fund		35	11	22	(24)	(11)
<b>Net cash provided by State Government</b>		<b>24 393</b>	<b>24 303</b>	<b>22 199</b>	<b>(90)</b>	<b>2 104</b>
Utilised as follows						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits	1, A	(17 377)	(15 142)	(19 167)	2 235	4 025
Supplies and services	B	(4 352)	(4 082)	(2 683)	270	(1 399)
Accommodation		(2 691)	(2 323)	(2 063)	368	(260)
Grants and subsidies		(591)	( 778)	(609)	(187)	(169)
GST payments on purchases		(502)	( 682)	(503)	(180)	(179)
<b>Receipts</b>						
User charges and fees		424	123	93	(301)	30
GST receipts on sales		87	21	17	(66)	4
GST receipts from taxation authority		415	609	451	194	158
Other receipts		108	261	552	153	(291)
<b>Net cash provided by/(used in) operating activities</b>		<b>(24 479)</b>	<b>(21 993)</b>	<b>(23 912)</b>	<b>2 486</b>	<b>1 919</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Purchase of non-current assets		(104)	( 37)	(9)	67	(28)
<b>Net cash provided by/(used in) investing activities</b>		<b>(104)</b>	<b>( 37)</b>	<b>(9)</b>	<b>67</b>	<b>(28)</b>
Net increase/(decrease) in cash and cash equivalents		(190)	2 273	(1 722)	2 463	3 995
Cash and cash equivalents at the beginning of period		9 654	11 050	12 772	1 396	(1 722)
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<b>9 464</b>	<b>13 323</b>	<b>11 050</b>	<b>3 859</b>	<b>2 273</b>



## Major variance narratives

### ***Variations between estimate and actual 2019***

1. The variance in employee benefits expense is primarily due to vacancies resulting from a functional realignment and in the Aboriginal Employment Program.
2. The variance in the accommodation expense is mainly a result of an over provision in the estimate.
3. The variance in employee related provisions is a result of an effective leave management policy implemented to reduce significant leave balances.

### ***Variations between actual results for 2019 and 2018***

- A. The variance in employee benefits expense is primarily due to reduced termination payment and vacancies resulting from a functional realignment and in the Aboriginal Employment Program.
- B. The variance in supplies and services is mainly due to an increased focus on diversity, culture and talent development programs and reviews undertaken such as the Senior Executive Services review and the North Metropolitan Health Service governance review.
- C. The variance in grants and subsidies can be attributed to contributions made to the Department of the Premier and Cabinet for public sector reform initiatives and review in the 2017/18 financial year.
- D. The variance in employee related provisions is a result of an effective leave management policy implemented to reduce significant leave balances.
- E. The variance was due to the return of surplus cash to the Consolidated Accounts as per the Cash Management Policy in 2017/18.

# Key performance indicators

## Certification of key performance indicators

for the year ended 30 June 2019

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 2019.



SHARYN O'NEILL  
PUBLIC SECTOR COMMISSIONER

23 August 2019

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## 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 its 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 measure the extent to which our activities are achieving, or are progressing towards, our agency-level outcome. To measure how we are performing against these indicators, an annual client perception survey (CPS) is issued to our core clients.

In 2017, the Under Treasurer approved changes to the Commission's Outcome Based Management framework, including changes to the core clients and key effectiveness indicators. As a result, the 2018/19 indicators are only comparable to last year's survey.

In total, the 2018/19 survey was distributed to 281 core clients, comprising:

- 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*
- 44 non-SES organisations
- 148 local governments, including 9 regional councils
- 4 public universities
- 15 Government Trading Enterprises (GTEs).

The 2018/19 survey asked 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 in their organisations.

The survey comprised 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. This was identical to last year's response.

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

Key effectiveness indicators	Target 2018/19	Actual 2018/19	Variance	Actual 2017/18
The portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped them to enhance integrity within their organisations. <sup>(a)</sup>	75%	87%	12.% <sup>(b)</sup>	86%
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. <sup>(a)</sup>	75%	80%	5% <sup>(b)</sup>	71%
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. <sup>(a)</sup>	75%	66%	(9%) <sup>(c)</sup>	53%

(a) New key effectiveness indicators were adopted in 2017/18 to reflect the addition of new core clients including local government, public universities and Government Trading Enterprises. These clients were not previously surveyed. The comparative data therefore is between last year's survey and this year's survey.

(b) The variance between the targeted and actual key effectiveness indicator responses reflects the continued delivery of high quality policy, assistance and oversight by the Commission to its core clients.

(c) The variance between the targeted and actual key effectiveness indicator responses may be attributed to core 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 they are not considered costs of delivering 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.

Key efficiency indicators	Target 2018/19	Actual 2018/19	Variance	Actual 2017/18 <sup>(a)</sup>	Actual 2016/17
Average cost per leadership development program, product or training hour.	\$140	\$115	(\$25) <sup>(b)</sup>	\$85	\$144
Average cost per workforce development program, product or training hour.	\$132	\$115	(\$17) <sup>(b)</sup>	\$124	\$147

(a) The 2017/18 actual figures have been restated in order to reflect the same calculation methodology that was used in the current year and prior years. The 2017/18 audited figures were previously reported as \$93 (Average cost per leadership development program, product or training hour) and \$134 (Average cost per workforce development program, product or training hour).

(b) The variance is mainly due to an increase in the number of hours applied to directly support diversity, culture and talent development programs in 2018/19.

### 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 indicators	Target 2018/19	Actual 2018/19	Variance	Actual 2017/18 <sup>(a)</sup>	Actual 2016/17
Average cost per hour of assistance and support provided.	\$117	\$108	(\$9) <sup>(b)</sup>	\$91	\$106
Average cost per public administration, standards and integrity program, product or training hour.	\$89	\$96	\$7 <sup>(b)</sup>	\$80	\$112

(a) The 2017/18 actual figures have been restated in order to reflect the same calculation methodology that was used in the current year and prior years. The 2017/18 audited figures were previously reported as \$99 (Average cost per hour of assistance and support provided) and \$87 (Average cost per public administration, standards and integrity program, product or training hour).

(b) The variance is primarily due to the realignment of resources between services to provide a greater focus on diversity, culture and talent priorities.

### 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*, *Corruption and Crime Misconduct Act 2003*, *Public Interest Disclosure Act 2003* and Part IX of the *Equal Opportunity Act 1984*.

Key efficiency indicators	Target 2018/19	Actual 2018/19	Variance	Actual 2017/18	Actual 2016/17
Average cost per hour addressing legislative and policy development	\$69	\$85	\$16 <sup>(b)</sup>	\$78 <sup>(a)</sup>	\$102
Average cost per hour of performance and oversight activity	\$95	\$101	\$6 <sup>(b)</sup>	\$82 <sup>(a)</sup>	\$111
Percentage of oversight actions completed within target timeframes.	85%	90%	5% <sup>(c)</sup>	86%	91%

(a) The 2017/18 actual figures have been restated in order to reflect the same calculation methodology that was used in the current year and prior years. The 2017/18 audited figures were previously reported as \$85 (Average cost per hour addressing legislative and policy development) and \$89 (Average cost per hour of performance and oversight activity).

(b) The variance is mainly due to the realignment of resources between services based on actual activity offset by additional costs incurred for the North Metropolitan Health Services governance review.

(c) The variance is mainly due to ongoing process improvements.

# Appendices

## Appendix A: CEO appointments, reappointments and directions to act

### Appointments

Ms Lisa Rodgers	Director General, Department of Education; Chief Executive Officer and Registrar, School Curriculum and Standards Authority (concurrent appointments)
Mr Ben Palmer	Chief Executive Officer, Government Employees Superannuation Board
Ms Jodi Cant	Director General, Department of Finance
Ms Rebecca Brown	Director General, Department of Jobs, Tourism, Science and Innovation; Chief Executive Officer, Western Australian Tourism Commission (concurrent appointments)
Ms Nicole Roocke	Chief Executive Officer, Minerals Research Institute of WA
Mr Graeme Gammie	Chief Executive Officer, Western Australian Land Information Authority
Ms Michelle Andrews	Director General, Department of Communities; Chief Executive Officer, Housing Authority; Chief Executive Officer, Country Housing Authority; Chief Executive Officer, Disability Services Commission (concurrent appointments)
Mr Darren Kavanagh	Commissioner, WorkSafe WA
Mr Eamon Ryan	Inspector of Custodial Services

### Reappointments

Ms Susan Bastian	Chief Executive Officer and Registrar, Department of the Registrar, Western Australian Industrial Relations Commission
Mr Darren Klemm	Commissioner, Department of Fire and Emergency Services
Ms Susan Hunt	Chief Executive Officer (Performance of Other Functions)
Ms Mary White	Deputy Parliamentary Commissioner for Administrative Investigations

### Directions to act

Ms Michelle Andrews	Director General, Department of Communities; Chief Executive Officer, Housing Authority; Chief Executive Officer, Country Housing Authority; Chief Executive Officer, Disability Services Commission (concurrent appointments)
Mr Ben Palmer	Chief Executive Officer, Government Employees Superannuation Board
Ms Stephanie Black	Director General, Department of Finance; Chief Executive Officer, State Supply Commission (held concurrently)
Ms Jodi Cant	Chief Executive Officer, Landgate; Chief Executive Officer, State Supply Commission (non-concurrent appointments)
Mr Gavin Robins	Director, Wheatbelt Development Commission
Mr Grant Arthur	Director, Wheatbelt Development Commission
Mr Tym Duncanson	Director, Gascoyne Development Commission
Mr Kris Starcevich	Director, Goldfields-Esperance Development Commission
Ms Rebecca Ball	Director, South West Development Commission
Mr Chris White	Chief Executive Officer, WorkCover
Ms Susan Hunt	Executive Director (a Chief Executive Officer position), Western Australian Health Promotion Foundation (Heathway); Chief Executive Officer, Lotterywest (concurrent appointments)
Ms Jennifer McGrath	Director General, Department of Education; Mental Health Commissioner, Mental Health Commission (non-concurrent appointments)
Mr Peter McCafferty	Chief Executive Officer, ChemCentre
Mr Sean Henriques	Chief Executive Officer, Metropolitan Redevelopment Authority

**Directions to act**

Ms Nina Lyhne	Director General, Department of Transport; Chief Executive Officer, Public Transport Authority; Commissioner of Main Roads, Main Roads WA (concurrent appointments)
Mr Richard Sellers	Director General, Department of Jobs, Tourism, Science and Innovation; Chief Executive Officer, Tourism Western Australia (concurrent appointments)
Mr Bruce Roberts	Chief Executive Officer, Landgate
Ms Liz Burke	Chief Executive Officer, Landgate
Mr Joe Ostojich	Director General, Department of Jobs, Tourism, Science and Innovation; Chief Executive Officer, Tourism Western Australia (concurrent appointments)

**Statutory office holders**

Ms Catherine Fletcher	Information Commissioner
Ms Sonja Cox	Director of Equal Opportunity in Public Employment
Dr John Byrne	Commissioner for Equal Opportunity
Ms Kristabel Rosario	Director of Equal Opportunity in Public Employment

## Appendix B: Minor misconduct matters received

Of the 478 minor misconduct matters (599 last year) received by the Commission in 2018/19, 65 were referred from the Corruption and Crime Commission (CCC) (98 last year). These 478 matters comprised 777 allegations (1022 last year).

		Percentage
<b>Notification type</b>	<b>Matter</b>	
Notifications from public authorities	307	64.2
Reports from individuals	171	35.8
<b>Allegation type</b>	<b>Allegation</b>	
Related to personal behaviour of public officers	502	64.6
Defined as not consistent with the CCM Act	92	11.8
Related to fraudulent or corrupt behaviour	68	8.8
Related to use of public resources	36	4.6
Related to conflict of interest	35	4.5
Related to use of information/record keeping	26	3.3
Pending assessment at 30 June	11	1.4
Related to inappropriate provision of gifts or hospitality	7	0.9
<b>Actions</b>	<b>Matter</b>	
Did not meet the definition of minor misconduct or had otherwise been dealt with appropriately at the time of receipt	211	44.1
Referred to the appropriate authority with no obligation to provide any further information to the Commission	82	17.2
Referred to the appropriate authority with a request to advise the Commission of the outcome	77	16.1
Referred to an appropriate third party (45 to the CCC and one to another appropriate third party)	46	9.6
Referred to the appropriate authority with a request to provide a report on the action taken to be reviewed by the Commission	36	7.5
Ongoing pending assessment or further preliminary inquiry	26	5.4





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