



GOVERNMENT OF
WESTERN AUSTRALIA

PSC | Public Sector
Commission



Annual report | 2016/17

Bringing leadership and expertise to the WA public sector

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Accessibility

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

Statement of compliance

Hon. Mark McGowan MLA
PREMIER

In accordance with Section 63 of the *Financial Management Act 2006* I hereby submit for your information and presentation to the Parliament of Western Australia the annual report for the Public Sector Commission for the year ended 30 June 2017.

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



M C Wauchope AO
Public Sector Commissioner
(ACCOUNTABLE AUTHORITY)

14 September 2017

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Commissioner's foreword

The last 12 months has proven strong leadership in a dynamic environment is pivotal to enduring reform.

I am pleased to deliver the Public Sector Commission Annual Report 2016/17 to the Parliament of Western Australia, in a year that has brought transformational change to the sector.

Following the State election, our immediate focus shifted to better support Government policy and facilitate the most significant public sector reforms in over a decade. The Machinery of Government agenda announced in April proved to be a substantial task as we worked with Government to reduce the number of departments by 40 per cent. As part of the reforms, we have also assisted agency heads to reduce the size and cost of the Senior Executive Service.

To further drive efficiencies across the sector, I have been pleased to work with Government in establishing the Service Priority Review and initiating a Directors General working group into red tape reduction. The findings from these reviews will set our course over the year ahead.

At the direction of the Premier, the Hon. Mark McGowan MLA, under sections 24H(2) and (3) of the *Public Sector Management Act 1994*, I also arranged for the Inquiry into Government Programs and Projects. The special inquiry will examine the governance arrangements, decision-making processes and financial consequences associated with a number of government programs and projects. Led by former Under Treasurer John Langoulant AO, it is anticipated findings from the inquiry will further strengthen the accountability and transparency of State Government contracts.

To deliver on our new priorities and ensure we remain responsive to a shifting Government agenda, we focused on making the Commission more nimble and mobile. As part of this, we reviewed our internal operations and reprioritised the way we do our business. This included establishing a Machinery of Government team to work exclusively on the changes. We also continued to embed key staff members within agencies undergoing significant reform.

With a large number of staff working across whole-of-government projects, we put a dynamic organisational structure in place, reducing our senior executive and the number of directorates to our three priority areas – Workforce, Engagement and Conduct. We also more closely aligned our conduct, oversight and reporting functions with our misconduct prevention and education functions, driving efficiency in this area and further strengthening integrity and accountability in public authorities.

To ensure our strategic priorities remain consistent across the Commission, and to continue to deliver the best outcomes for our clients, we worked with our employees to develop a new strategic plan and employee value proposition. The new plan, which was launched on 1 July 2017, reflects our collective vision and values going forward.

In my view, to successfully implement organisational change, positive messaging, strong leadership and proper processes are required to ensure a smooth transition and the best outcomes for those involved. Whether it be implementing changes within the Commission, or throughout the wider public sector, we will continue to practice these fundamental principles.

While I acknowledge that explicit changes are often difficult to anticipate, we can be certain that change will continue to impact the sector for the foreseeable future. Public sector leaders must take action and prepare their agencies for this. The work undertaken by the Commission over the reporting period has positioned us well to assist public sector leaders through this process.

What I have observed over the last year is that leadership matters. Public sector leaders have showcased their ability to be mobile, agile and resilient. The leadership provided across the sector during a year of change has enabled high-quality services to be delivered to the community, while workforce outcomes have been implemented.

It has certainly been a unique year for the Commission and I would like to thank my staff for remaining committed and flexible. This year's achievements, contained within the report, reflect their passion for the diverse work we do and their professionalism in undertaking this work.



M C Wauchope AO
Public Sector Commissioner

14 September 2017



Bringing leadership and expertise to the WA public sector in 2016/17



Oversight & reporting



534 minor misconduct matters received



304 substantiated allegations



Assistance & support



We worked closely with our stakeholders to assist the **44** agencies impacted by Machinery of Government changes



20 appointments and reappointments made to CEO positions

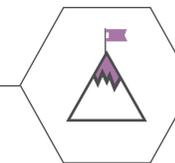


3677 enquiries responded to or initiated on our advisory line



43 public authorities involved in our integrity evaluations

Public sector leadership

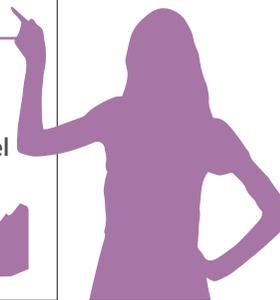


Our leadership development sessions

Were delivered to **2763** participants

Across **80** sessions to support high-level leadership

Assisting **145** authorities in metropolitan and regional WA



Our results

▶ **80** trainees commenced employment through our traineeship programs and referral service

▶ **83%** of trainees who commenced the Aboriginal Traineeship Program in 2015/16 received their qualification

We released three success profiles

to drive high-level leadership


Chief Executive Officer profile


Chief HR Officer profile


Chief Finance Officer profile

About our report

Our annual report is designed to provide you with information about our purpose, services and performance. The report is divided into four key sections.



Commission in focus | page 1

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



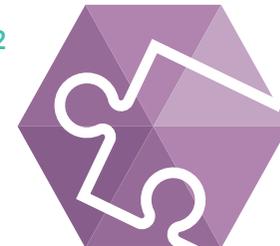
Our performance | page 15

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



Significant issues impacting the Commission | page 12

Outlines the key challenges and opportunities facing public administration and management in Western Australia and how we are addressing these, now, and into the future.



Disclosures and legal compliance | page 44

Includes our key performance indicators and financial statements, providing information on our performance measures and financial position. It also includes legal requirements, such as our commitment to occupational health and safety and a summary of all freedom of information applications finalised.



Section 1

Commission in focus

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The Commission provides advice, assistance and support to public sector authorities and employees on a range of administration, management, integrity and governance matters

Commission profile

Responsible Minister

Our responsible Minister is the Hon. Mark McGowan MLA, Premier.

Enabling and administered legislation

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

On behalf of the Commissioner, the Public Sector Commission (Commission) administers the:

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

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

Government affiliated bodies

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

Our stakeholders

We maintain a strong relationship with public sector agencies, boards and committees, local governments, public universities, Government Trading Enterprises (GTEs), the Parliament of Western Australia, the Government, and the community.



Our promise

To provide leadership through collaboration, partnership and direction setting.

Our vision

A high performing public sector.

Who we are

The Commission is an independent authority with policy, assistance and oversight roles. Our objective is to bring leadership and expertise to the public sector and support the integrity, effectiveness and efficiency of public administration and management.



Our purpose

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



Our proposition

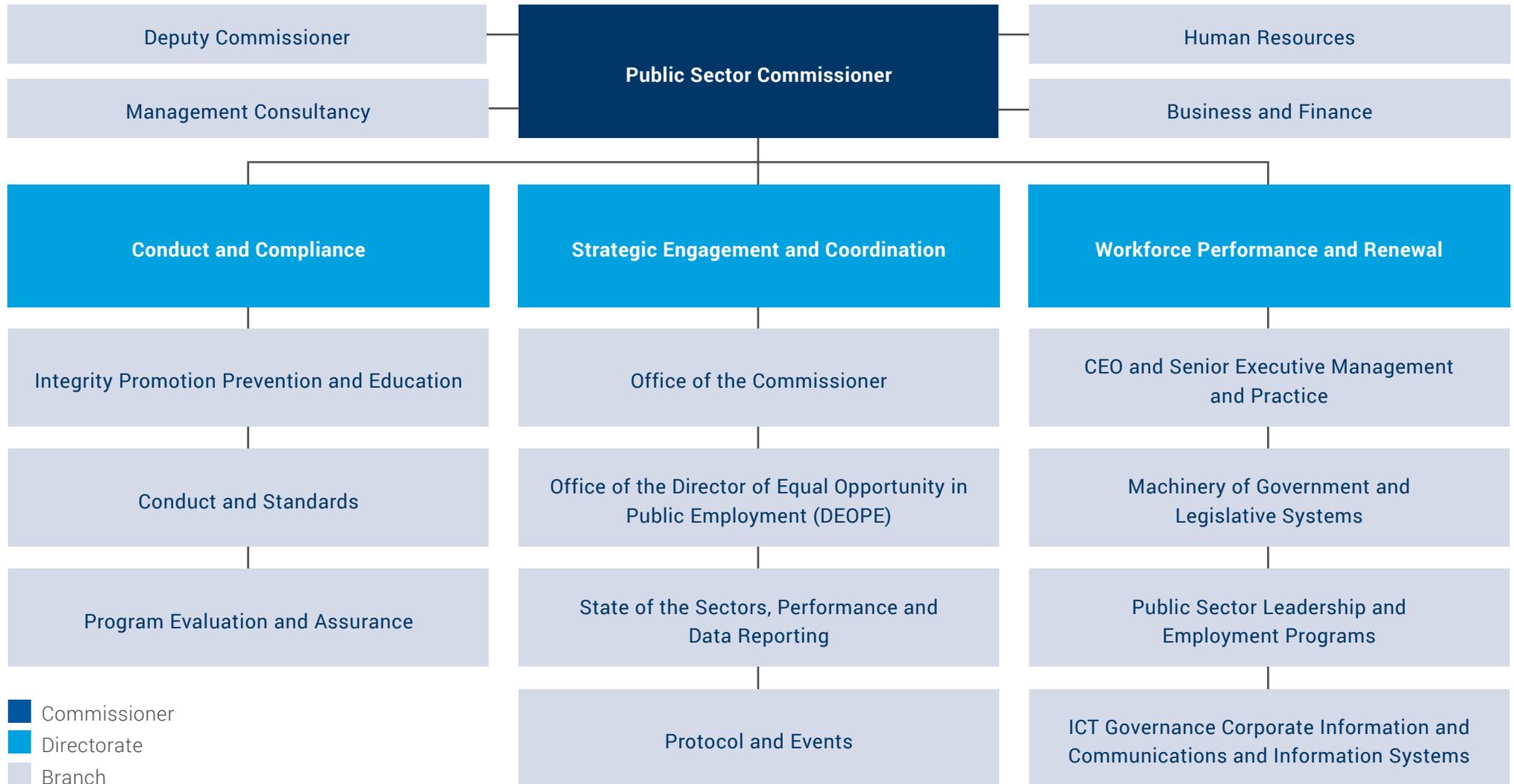
Act with integrity, lead with purpose.

Our values

Our work is guided by our LIVED values - Leadership, Integrity, Vision, Excellence and Diversity. By living our values, we provide a professional and strategic approach to service delivery, and offer an attractive place to work for talented job seekers.

Our organisational structure

As at 30 June 2017



Executive profile

Corporate Executive

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

Commission's Advisory Board

Established in 2014, the Advisory Board provides assistance and support in the development and implementation of strategic initiatives across the public sector.

In 2017, the Board's membership was refreshed to further diversify the perspectives and skills of the group. Public sector leaders from a range of authorities and across several service delivery areas, including representatives from local government, public universities and government boards and committees now form the Board's membership. In light of the Machinery of Government changes, the Board's membership will be reconsidered in the next reporting period.

Audit and Risk Committee

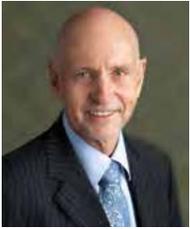
The Audit and Risk Committee strengthens our control environment by overseeing and monitoring the Commission's governance, risk and control frameworks and its external accountability requirements. The Committee's role is to review and monitor the adequacy of arrangements to ensure that risks are effectively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

ICT Governance Committee

The Information Communication Technology (ICT) Governance Committee operates as a sub-committee of the Commission's Corporate Executive. The Committee's role is to provide governance for the Commission by overseeing the development, monitoring and implementation of an 'ICT Roadmap'. This roadmap provides a plan aligned to the Commission's key functions in accordance with *Digital WA: State ICT Strategy*, developed by the Office of the Government Chief Information Officer.



Corporate Executive



Mr Mal Wauchop AO
Public Sector Commissioner

Mal leads and positions the Commission as an independent authority, to enhance the effectiveness and efficiency of the Western Australian public sector. By balancing his policy, assistance and oversight roles, he delivers strong leadership to an efficient and collaborative public sector, and one which operates with integrity to ensure public trust and accountability.

Since establishing the Commission in 2008, Mal continues to steer its direction to ensure the agency is responsive to internal and external pressures. Recently, this has included transforming the operations of the Commission in response to two major legislative reforms – changes to the *Corruption, Crime and Misconduct Act 2003* and the *Integrity (Lobbyists) Act 2016*.



Mr Dan Volaric
Deputy Commissioner

Dan supports the Commissioner with his statutory responsibilities in accordance with the PSM Act. This includes providing high-level advice and guidance to the Commissioner across a range of issues affecting the Western Australian public sector. Dan is currently embedded in another agency, providing support through a period of change.



Ms Rebecca Harris
Acting Executive Director, Strategic Engagement
and Coordination

Rebecca is responsible for oversight of the Office of the Commissioner, which includes parliamentary processes, freedom of information, and the lobbyists code and register. Other key responsibilities include strategic engagement and coordination, stakeholder relations, events management, protocol and strategic projects coordination.

Rebecca is also the Director of Equal Opportunity in Public Employment (DEOPE), an independent statutory officer appointed by the Governor to perform the functions outlined in Part IX of the *Equal Opportunity Act 1984* (EO Act).



Mr Lindsay Warner
Acting Executive Director, Workforce Performance
and Renewal

Lindsay is responsible for oversight of the Commissioner's statutory responsibilities in relation to policy, machinery of government structural sector reform and reporting to Parliament in accordance with the PSM Act. Lindsay also has responsibility for the management of redeployment and redundancy, the Senior Executive Service and workforce performance and management.



Dr Eileen McCaffrey

Acting Executive Director, Conduct and Compliance

Eileen is responsible for oversight of the Commissioner's statutory responsibilities in relation to the *Corruption, Crime and Misconduct Act 2003* (CCM Act) and compliance with relevant functions of the PSM Act. Eileen's responsibilities encompass public sector standards, monitoring, minor misconduct prevention and education, minor misconduct investigations and oversight, public interest disclosures, and matters of referral.



Ms Stephanie Boyd

Acting Chief Human Resource Officer

Stephanie and her team in the Human Resources unit provide high-level organisational and employee relations advice to management and employees, particularly around strategic planning, performance development and recruitment activities.



Ms Teresa Williams

Acting Chief Finance Officer

Teresa leads and manages the delivery of financial and business services to the Commission and performs the Chief Finance Officer function in accordance with the *Financial Management Act 2006*. Her team also provides strategic financial advice on government financial management policy, procedures and practice.

Our workforce profile | 2016/17

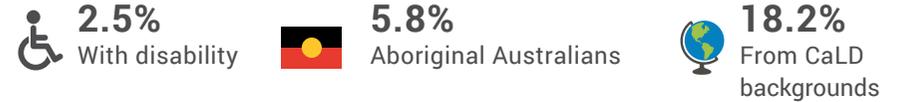
121 employees at the Public Sector Commission
115.24 full-time equivalent (FTE)

Groups

	Representation (%)	
	Commission	Public sector #
	2016/17	2017
Aboriginal Australians	5.8	2.7
People with disability	2.5	1.9
Women in Senior Executive Service (SES)	37.5	34.2
Culturally and linguistically diverse backgrounds (CaLD)	18.2	12.7
People 24 and under	5.0	4.4
People 45 and over	38.0	52.6

Data is current as of March 2017

We are committed to employing a diverse workforce



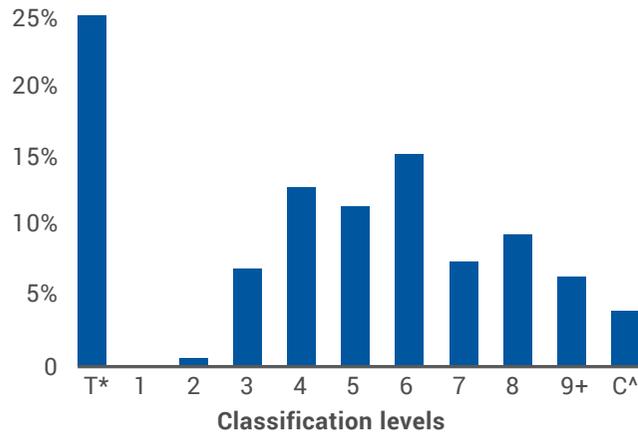
Age profile

(Median age: 42.1 years)



Employees across classification levels

(Data includes 43 trainees and 7 CEOs on other functions)

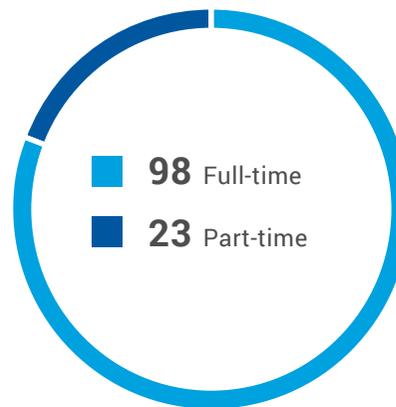


* Trainees

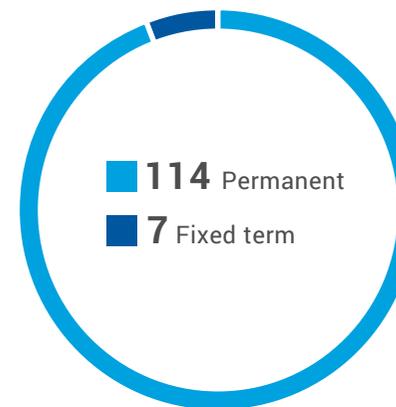
+ Level 9 and above

^ CEOs on other functions

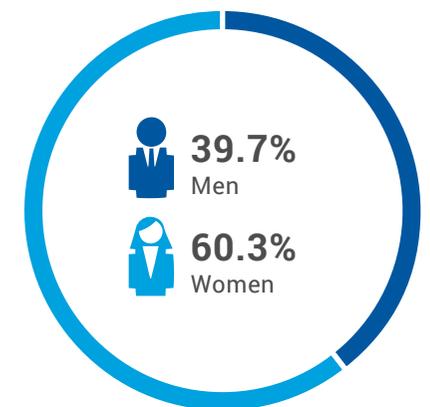
Working arrangements



Employment type



Gender



Supporting diversity

The Commission has a culture of inclusion, it values diversity and fosters equity in its workforce.

This year, we created an internal Reconciliation Action Plan (RAP) reference group to develop and implement our inaugural 'Reflect' RAP. Our RAP, which was endorsed by Reconciliation Australia, supports the Commission's Aboriginal talent identification and development initiatives.

Employment may be complex for employees with disability. To support our employees and increase awareness, during the year we focused on Autism, with 39 employees attending Autism awareness training. A further 15 employees attended disability awareness training.

The Commission also became an 'ALLY' organisation during the year to promote diversity and inclusion and the increased visibility and awareness of lesbian, gay, bisexual, transgender and intersex (LGBTI) people.

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

Developing our talent

Our people are central to achieving our strategic and operational outcomes. We strive to build and maintain a capable, informed and adaptive workforce through the following initiatives.

Performance management

Performance discussions define expectations, provide feedback on performance, and identify relevant development opportunities for staff. This year, 77 per cent of staff were actively engaged in performance development discussions, an increase of 7 percentage points from 2015/16.

Professional development

To build the capability of our workforce, we facilitated a nationally recognised internal auditor course for 14 employees, and a project management course for 19 employees. We also continued to build our internal capacity to undertake workplace investigations by providing the Certificate IV in Government (Investigation) to one employee. Since 2014, 18 employees have attained this qualification.

Graduate development program

Two university graduates were recruited as part of our annual Graduate development program, providing them with structured learning to develop core capabilities to work in the public sector. We currently have 11 permanent employees who commenced their career through the graduate program.

Traineeships

We recognise the contribution of trainees and support initiatives to help young people begin building their career in the sector. In 2016/17, five of the 43 trainees undertook placements at the Commission including two school-based trainees, one school-based trainee with disability, one full-time trainee and one full-time Aboriginal trainee. On successful completion of their traineeship, employees receive a nationally recognised qualification. We currently have five permanent employees who commenced their career through one of our traineeship programs.

Performance management framework

Outcome-based management framework

We support the broad Government goal of 'Results-based service delivery' by providing services that are designed to enhance the efficiency, effectiveness and integrity of the public sector. The diagram to the right illustrates the relationship between our services and desired outcomes, and the broad Government goal to which we contribute.



Public sector leadership

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



Assistance and support

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



Oversight and reporting

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

The Commission's three service areas are linked to Key Performance Indicators (KPIs) comprised of effectiveness and efficiency indicators which consider the extent to which the Commission has achieved its desired outcomes.

Desired outcomes Effectiveness indicators	Services provided Efficiency indicators
<p>An efficient and effective public sector that operates with integrity</p> <ul style="list-style-type: none"> ▪ The portion of core clients who indicate the Commission has delivered policy, assistance and oversight that has assisted them to enhance integrity within their agencies. ▪ The portion of core clients who indicate the Commission has delivered policy, assistance and oversight that has assisted them to enhance the effectiveness and efficiency of their agencies. ▪ The portion of core clients who indicate that assistance provided by the Commission has helped them to meet their statutory obligations under the PID Act. ▪ The portion of core clients who indicate that assistance provided by the Commission has helped them to meet their statutory obligations under Part IX of the EO Act. 	<p>Public sector leadership</p> <ul style="list-style-type: none"> ▪ Average cost per leadership development product, program or training hour. ▪ Average cost per workforce development program, product or training hour. <p>Assistance and support</p> <ul style="list-style-type: none"> ▪ Average cost per hour of assistance and support provided. ▪ Average cost per public administration, standards and integrity program, product or training hour. <p>Oversight and reporting</p> <ul style="list-style-type: none"> ▪ Average cost per hour addressing legislative and policy development. ▪ Average cost per hour of performance and oversight activity. ▪ Percentage of oversight actions completed within target timeframes.

Changes to Outcomes-based management framework

The Commission's Outcomes-based management framework did not change during 2016/17.

Shared responsibilities with other agencies

The Commission did not share any responsibilities with other agencies in 2016/17.

Note: Core clients comprise:

- Departments created under Section 35 of the PSM Act
- Ministerial offices ¹
- SES organisations specified in column two of Schedule 2 of the PSM Act
- Non-SES organisations, including government boards and committees that have undertaken the Commission's good governance and ethical decision making professional development training within the financial year.

¹ Ministerial offices were not surveyed as part of our 2016/17 Client perception survey



Section 2

Significant issues impacting the Commission

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Implementing the Government agenda to drive efficiency

As the Government endeavours to implement a more efficient and effective approach to deliver services to the community, the public sector continues to undergo significant reform and renewal. This includes wide-reaching reform changes to the Machinery of Government (MOG), and the reduction of the Senior Executive Service (SES)—both aiming to drive cultural changes by fostering collaboration and mobility across agencies.

The Commission has been well placed to advise, assist and support agencies through the first phase of the renewal journey. In facilitating the Government agenda, we reprioritised our resources to ensure we remain responsive, and our assistance effective.

Following the Premier's announcement of the MOG reforms in April, we worked closely with Government and impacted agencies to implement these changes within a constrained timeframe. This involved assisting and supporting interim CEOs and their agencies as they transitioned to new arrangements. In fulfilling our legislative role under the PSM Act we also continued to advise Government on appropriate changes to achieve and maintain operational responsiveness and flexibility.

These initial reforms are in advance of the Service Priority Review (SPR), scoped to deliver further structural changes and savings. The Commission continues to assist the SPR secretariat upon request, and will continue to support Government in implementing any future changes.

▶▶ **Further details relating to public sector reform can be found in the [Machinery of Government section](#) under Service 2: Assistance and support**

Reimagining leadership

As a result of the reforms announced by Government, some leaders with extensive public sector experience may exit the sector. Without effective succession planning and knowledge management strategies in place, critical leadership knowledge will be lost. Further, organisational delayering that often occurs during times of reform may see operational staff take on management responsibilities without being suitably upskilled.

The absence of strong leadership during times of uncertainty can negatively impact employee engagement. The flow-on effects of a disengaged workforce may create challenges for sector productivity, service and innovation.

Within a constantly evolving public sector environment, leadership excellence requires an intentional and strategic approach. In responding to this challenge, a success profile including measurement guidelines for CEOs was released to support high-level leadership capability. The profile provides the foundation for our design and implementation of sector-wide leadership strategies and initiatives to drive highly capable, collaborative and continuous leadership across the WA public sector.

▶▶ **Further details relating to our CEO success profile are provided in our [Success profiles section](#) under Service area 1: Public sector leadership**

Enhancing Human Resources capability to plan our future workforce

During the year, we commissioned a review into recruitment performance which found that mature workforce planning capability was lacking in the agencies who participated. The review also found that Human Resource (HR) practitioners are yet to fully implement strategies to drive a more diverse workforce.

Into the future, we can expect a leaner public sector workforce. Initiatives that diversify and strengthen the workforce, supported by effective strategic workforce planning have therefore never been more important in building a contemporary workforce. This includes adopting greater flexibility in the way we fill public sector positions.

In light of this, during the reporting period, the Commission launched an interjurisdictional success profile for Chief Human Resource Officers (CHROs). We also worked to build HR capability and strengthen strategic workforce planning by promoting shared learnings amongst our established network of CHROs. The Commission will continue to work with CHROs to assist them through the reform process and build a workforce that supports these changes.

▶▶ Further details relating to our review of recruitment performance are provided in our [Human Resources essentials section](#) under **Service 2: Assistance and support**

Strengthening integrity

In December, the *Integrity (Lobbyists) Act 2016* came into effect, adding to and complementing the Commissioner's existing legislative functions that relate to integrity and accountability. This legislative framework, now spans four separate pieces of legislation. It empowers the Commissioner to establish accountability requirements, oversee, investigate, review, report, promote transparency in government dealings and assist the sectors to build their ethical capacity.

During the year, we undertook a functional realignment to better integrate our conduct and integrity functions internally and apply a more holistic approach to strengthening public sector integrity and accountability. We also undertook a number of discrete evaluations to advise and inform authorities on increasing their capacity to prevent misconduct.

Data from our oversight activities continues to inform our view of conduct and integrity of the sector, and our assistance, prevention and education functions. Based on this data, we will continue to advise public authorities on ways they can strengthen their approaches to integrity and conduct, over the coming year.

▶▶ Further details relating to evaluations can be found in our [Prevention section](#) under **Service 2: Assistance and support**



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Performance summary

Actual results versus budget targets

Financial targets

Category	Target ⁽¹⁾ 2016/17 \$000	Actual 2016/17 \$000	Variance ⁽²⁾ \$000 ^(a)
Total cost of services (expense limit)	28 839	26 285	2554
Net cost of services	28 446	25 817	2629
Total equity	8837	14 579	5742
Net increase/(decrease) in cash held	(180)	2581	2699
Approved salary expense level	17 982	17 708	1078

(1) As specified in the Budget Statements.

(2) Further explanations are contained in Note 28 'Explanatory statement' to the financial statements.

(a) The variations are mainly due to an underspend in employee benefits expense as the Commission responded to the adoption of corrective measures and the Agency Expenditure Review.

Working cash targets

Category	Agreed limit ⁽¹⁾ 2016/17 \$000	Target/actual 2016/17 \$000	Variance ⁽²⁾ \$000 ^(b)
Agreed working cash limit (at budget)	6492	12 710	6218
Agreed working cash limit (at actuals)	10 191	12 710	2519

(b) The 2016/17 budget agreed working cash limit varied significantly to the 2016/17 actual as a result of reductions in employee benefits expense and the pooled reductions in other expenditure such as professional services. This variation underpins the variation to targets.

Summary of key performance indicators

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

Summary of key effectiveness indicators

Key effectiveness indicator	Target 2016/17	Actual 2016/17	Variance	Actual 2015/16	Actual 2014/15
The portion of core clients who indicate the Commission has delivered policy, assistance and oversight that has assisted them to enhance integrity within their agencies	85%	92.5%	7.5%	95.5%	97%
The portion of core clients who indicate the Commission has delivered policy, assistance and oversight that has assisted them to enhance the effectiveness and efficiency of their agencies	85%	88.1%	3.1%	85.6%	89%
The portion of core clients who indicate that assistance provided by the Commission has helped them to meet their statutory obligations under the PID Act	75%	79.1%	4.1%	83.8%	75%
The portion of core clients who indicate assistance provided by the Commission has helped them to meet statutory obligations under Part IX of the EO Act	75%	71.6%	(3.4%)	72.1%	69%

Summary of key efficiency indicators

Service 1 – Public sector leadership

Average cost per leadership development product, program or training hour	\$117	\$144	\$27	\$117	\$109
Average cost per workforce development program, product or training hour	\$122	\$147	\$25	\$117	\$118

Service 2 – Assistance and support

Average cost per hour of assistance and support provided	\$87	\$106	\$19	\$92	\$93
Average cost per public administration, standards and integrity program, product or training hour	\$114	\$112	(\$2)	\$85	\$120

Service 3 – Oversight and reporting

Average cost per hour of performance and oversight activity	\$107	\$111	\$4	\$98	\$102
Average cost per hour addressing legislative and policy development	\$95	\$102	\$7	\$91	\$97
Percentage of oversight actions completed within target timeframes	90%	91%	1%	93%	89%



Service 1

Public sector leadership

Effective leadership is crucial for the stewardship of the sector and the delivery of essential services to the community, particularly in times of significant change. The Commission is committed to building the leadership capability and expertise of the public sector workforce to ensure it is suitably skilled for the future. Our capacity-building initiatives relate broadly to leadership, specialist capability, diversity and inclusion, and stakeholder engagement.

In 2016/17, we placed a renewed focus on strengthening the sector's leadership, with the development and release of our Chief Executive Officer (CEO) success profile and accompanying measurement guidelines. Our leadership development programs continue to build leaders at all levels.

We have also continued to support key occupational groups including the 'C suite'—Chief Human Resources Officers (CHROs), Chief Finance Officers (CFOs), Chief Information Officers (CIOs)—and senior integrity leaders.

Diversity and inclusion remains a key priority as we support public authorities to implement strategies and mechanisms for reducing structural, cultural and process barriers to the employment of people from diverse groups.

To ensure we continue creating opportunities for collaboration, innovation and a shared understanding among our stakeholders, we progressed a tailored approach to our local, national and international engagement.

2016/17 in review



2673 participants attended leadership development sessions



80 trainees employed through our traineeship programs and referral service



72 participants attended our International leadership program



111 officers who oversight or conduct investigations participated in nationally recognised courses



3 success profiles launched to support high-level leadership

Leadership sessions

Enduring reform requires strong leadership to deliver the best services for the State. We are committed to building the expertise of public sector leaders at all levels by delivering and facilitating high impact leadership development programs to CEOs, the Senior Executive Service (SES) and emerging leaders across the public sector.

The Commission facilitates and delivers a range of development programs aimed at delivering capable leaders, now and into the future. A description of these programs is provided in Appendix A. In addition, we hosted a range of information sessions and forums for CEOs and senior executives, to support them in reaching their leadership potential. These sessions informed leaders of notable changes and initiatives occurring across the sector. This included sessions to inform leaders of the caretaker conventions, the Machinery of Government changes and the Service Priority Review (SPR).

In 2016/17, the Commission delivered and facilitated 80 sessions to support high-level leadership to a total of 2673 participants across metropolitan and regional WA.

Our leadership development sessions in 2016/17

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



Sessions delivered to support high-level leadership



Participants attended leadership development sessions



Metropolitan and regional public authorities represented

Levels 3–4
Graduate development program



Levels 4–7
Management essentials



Levels 8–Class 1
Leadership essentials



All classifications
Leadership seminars



Senior Executives
SES leadership seminars



SES events and sessions



Executive Master of
Public Administration



Executive Fellows Program



CEO leadership seminars



CEO events and sessions



CEO Interjurisdictional forum



Our focus | Success profiles

Driving C-suite leadership

To drive high-level leadership across a number of key occupational groups, the Commission developed and launched three success profiles in 2016/17. Following extensive consultation, our success profiles were developed to assist relevant stakeholders to understand, define and describe what it currently takes to be successful at both an agency and whole-of-sector level.

Chief Executive Officer success profile

A success profile for Chief Executive Officers and accompanying guidelines for measurement were developed during the reporting period. The profile describes and supports high-level leadership and business-focused success factors by outlining role expectations, accountabilities and experiences deemed critical to overall individual, agency and whole-of-sector performance.

The success profile also informed the design and development of Director General position descriptions for each of the new departments resulting from the Machinery of Government changes. The profile provides a foundation for the ongoing design and implementation of integrated leadership strategies and initiatives.

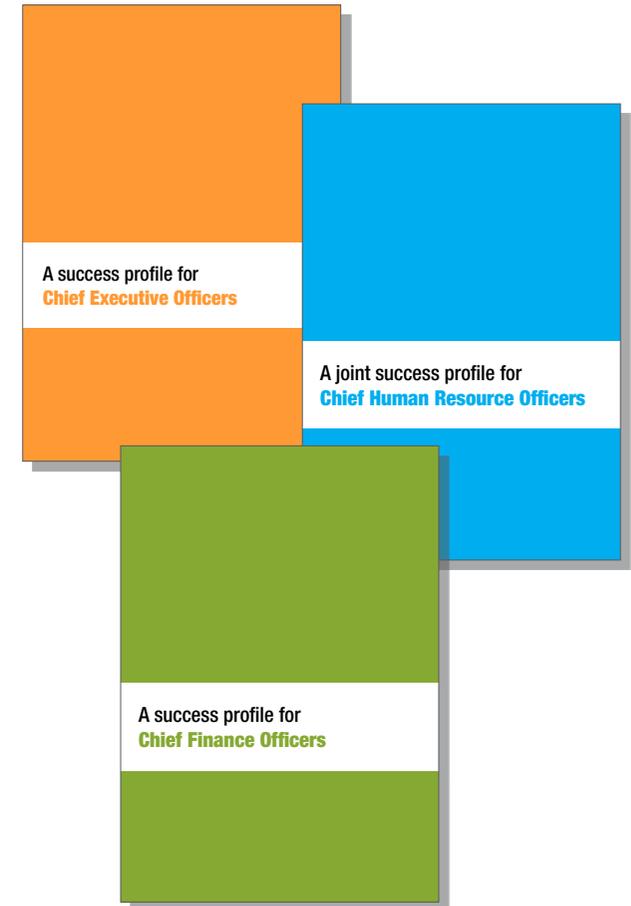
Chief Human Resource Officer success profile

The role of the Chief Human Resources Officer (CHRO) is critical to agency performance as a valuable source of expertise and strategic guidance. During the reporting period, the Commissioner, in collaboration with the other Australian and New Zealand Public Service Commissioners launched a joint success profile and associated guidelines which outline the expectations, accountabilities and experiences deemed necessary for CHROs.

Regional workshops continue to support our network of CHROs by providing opportunities to share knowledge, skills and experiences, formulate and maintain collaborative working relationships, and network with peers.

Chief Finance Officer success profile

In consultation with the Department of Treasury, the Office of the Auditor General and the Department of Finance, we developed a Finance Capability Framework comprising a Chief Finance Officer (CFO) success profile, accompanying measurement guidelines and a Finance capability profile. The success profile identifies expectations and accountabilities a CFO requires as a key strategic business partner. The capability profile describes key competencies for a variety of finance roles required of a high performing public sector finance function.



We developed and launched three success profiles in 2016/17

Specialist capability

In addition to the success profiles, in 2016/17, we facilitated a number of initiatives to develop the technical capability of other key specialists in agencies. By doing so, we continue to enhance the effectiveness, efficiency and integrity of the sector.

Chief Investigators

This year, we focused on building the capability of chief investigators to develop and implement robust systems within their organisations to identify and mitigate misconduct and corruption. As part of this initiative, the Commission arranged scholarships for five senior integrity practitioners from five public authorities to participate in the Australian and New Zealand School of Government's executive workshop 'Strategic Responses to Corruption'. We also facilitated training by the State Solicitor's Office for 34 SES members on the principles of administrative law.

Additionally, we have continued to up-skill public sector officers oversighting and conducting investigations with 75 officers undertaking the Certificate IV in Government (Investigations), and 36 officers undertaking a Diploma of Government Investigations in 2016/17.

Chief Policy Officers

Following a successful pilot in 2016, we launched the Policy essentials program for 2017 with 29 practitioners from 22 agencies participating. The program is designed around contemporary, real-life examples and delivered by experienced policy practitioners working in the sector.

The delivery of the program supports the ongoing application and incorporation of the Policy capability framework across the public sector.

Chief Information Officers

During the previous reporting period, in collaboration with the Office of the Government Chief Information Officer (OGCIO), we developed the *Information and communications technology capability framework*. The framework provides a guide for building the capability of the information and communications technology workforce, in line with the changing digital environment and industry standards.

In June, the framework was endorsed by the OGCIO and is now available on their website. Agencies can use the framework in all workforce development activities, including job description form creation, performance management and as the basis for professional development and training.

in developing our
success profiles



we consulted with key stakeholders who understand the day-to-day requirements, objectives and challenges of the roles



and considered current and future requirements of the roles, in the context of the sector's broader strategy and vision

how do they **benefit?**

Many organisations use success profiles as a 'blueprint' for successful performance in a particular role or function



Our **success profiles** can be found on our website

Stakeholder engagement

Building trust in government, reinforcing integrity and advocating for the public interest in decision-making form important elements of our engagement narrative.

At the local level

Since assuming responsibility for the oversight of minor misconduct, misconduct prevention and education in 2015, we have established connections with the community and continue to communicate with them about how the public sector manages misconduct.

In 2016/17, we have undertaken a range of engagement activities with peak community organisations including Reconciliation WA, Linkwest and the Youth Affairs Council of WA. In collaboration with other integrity agencies, we also presented at a range of forums including senior citizens centres and community multicultural centres. To support our community engagement program, we produced and translated community-based literature on minor misconduct and public interest disclosure into 10 languages other than English including Malay, Chinese and Arabic.

At the national level

The Commission continues to collaborate with its interjurisdictional counterparts and maintains a strong relationship with our colleagues in New Zealand and Singapore. Twice a year the Commissioner participates in the Public Service Commissioners' conference. The conference provides an opportunity for the Commissioners to share their initiatives, consider matters that impact all jurisdictions, and work together to find solutions.

Our ongoing participation on the interjurisdictional Workforce Data and Analytics Committee is vital in addressing common data issues and challenges. The Committee's recent efforts to explore an interjurisdictional workforce comparison dashboard will allow comparable information to be shared and benchmarked across the nation. We will continue to work with other Public Service Commissions to identify best practices in survey design and data collection methods.

At the international level

During the year, we continued to deliver the International leadership program in collaboration with the Department of Foreign Affairs and Trade. Since 2015, 132 participants have visited a number of state and local public authorities to gain an awareness and understanding of the WA government sectors.

We also continued to facilitate the CAFÉ program (connection, association, friendship, exchange) in 2016/17, linking Indonesian civil servants currently studying in WA with public sector employees through a peer-to-peer scheme. Looking ahead, we will consider a similar initiative with students from Papua New Guinea and Japan. We also continued to host a number of international delegations including those from Sri Lanka, China, Botswana and Indonesia. These delegations serve to strengthen our international relationships.

With local government

Our increasing engagement with local governments supports the delivery of our integrity promotion messages. Over the year, we have seen our interactions with local governments increase as we refined our approach to integrity promotion and offered integrated initiatives targeted at all sectors.

In addition to these initiatives, we had distinct interactions with 28 local governments. This included meetings, information sessions and peer reviews conducted as part of our integrity promotion program. The Commissioner also met with peak local government sector bodies during the year to discuss his role in relation to minor misconduct and public interest disclosures.

With public universities

As one of our key stakeholders, we continue to engage with public universities and assist them in understanding their obligations under the *Corruption, Crime and Misconduct Act 2003* (CCM Act) and *Public Interest Disclosure Act 2003* (PID Act). During the year, we delivered three integrity promotion sessions to 79 attendees, including the delivery of misconduct training to a number of university employees. In March, as part of our International Women’s Day celebrations, we invited Professor Deborah Terry AO, Vice-Chancellor of Curtin University to deliver a keynote address to 20 senior leaders from across the sector.

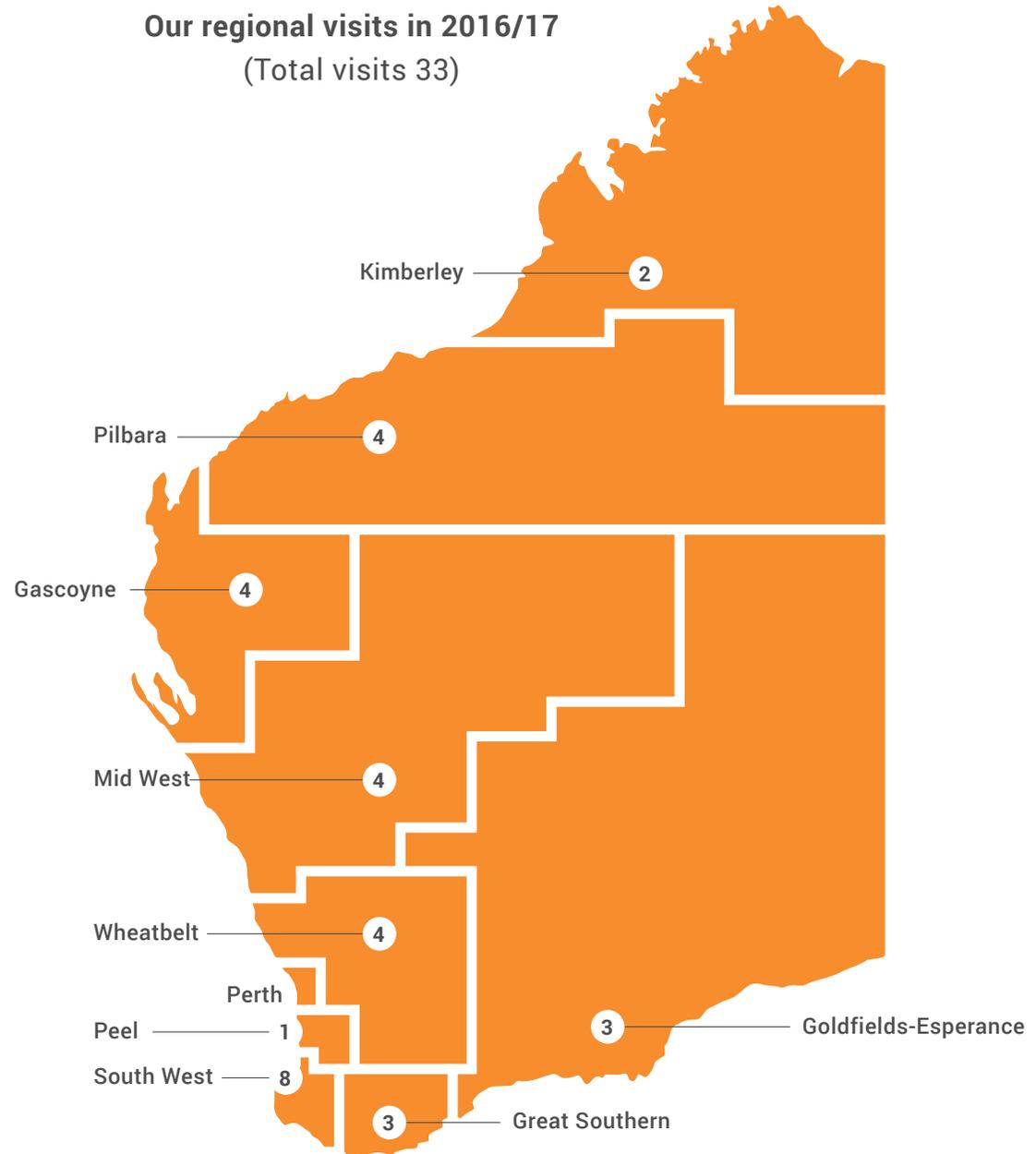
Across regional WA

To help build skills and experience in regional agencies we continued to deliver capability and development programs and employment initiatives across regional WA. Over the year, we worked with regional employees to enhance their understanding of ethics and integrity through our integrity promotion program, and build their leadership potential through our leadership development and traineeship programs.

In 2016/17, the Commissioner visited the Mid West, and Great Southern regions. A highlight of our regional program was the Joint Commissioner’s Forum in Geraldton where the Commissioner met with a number of regional shires and community groups.

Our regional visits in 2016/17

(Total visits 33)



Diversity and inclusion

Encouraging employees to disclose their diversity status, reducing barriers to employment, and raising awareness of unconscious bias are guiding principles for building an inclusive and diverse workforce.

Culturally and linguistically diverse employment

A culturally and linguistically diverse (CaLD) workforce brings a variety of viewpoints and new ideas, generating innovation and creative approaches. Cultural diversity at leadership levels makes for better decision making and organisational performance.

Between 2012 and 2016, the representation of public sector employees from CaLD backgrounds did not change, and remains under-represented in our workforce compared with the Western Australian community. To improve this, we have been working with the Director of Equal Opportunity in Public Employment (DEOPE) and the Office of Multicultural Interests to develop a strategy to build an equitable and inclusive workforce. This is likely to be released during the next reporting period.

Sexuality, sex and gender diversity

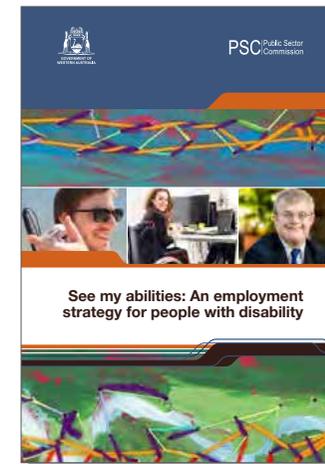
In 2016, the Commissioner, DEOPE and Acting Equal Opportunity Commissioner hosted 'Acknowledging sexual and gender diversity: Creating transgender inclusive workplaces'. This forum promoted best practice for preventing discrimination against transgender and intersex people.

To support this, we have started offering the option for an 'X' (indeterminate, intersex, unspecified) gender in our annual survey program, our Human resources minimum obligatory information requirement (HRMOIR) collection process and through our events system. This change marks an important shift in our language as we continue to move towards a more inclusive and diverse workplace culture.

In consultation with The University of Western Australia, Pride in Diversity, TransFolk of WA and WA Police, we are working with the DEOPE to develop a lesbian, gay, bisexual, transgender and intersex (LGBTI) inclusion guide for employers to assist employees wishing to transition. It is anticipated this work will help to promote more inclusive workplaces and ensure LGBTI employees and clients are treated with respect, and encourage other agencies to offer ALLY training to their employees.

Disability employment

To support disability employment we developed *See my abilities: An employment strategy for people with disability* and commenced a pilot cadetship program for university students with disability. The program provided a paid work placement for four university undergraduates in their final year of study. The strategy is also supported by the Commission's pilot traineeship program for people with disability. In 2016/17, four school-based trainees and five full-time trainees commenced the program. Of the five school-based trainees who commenced employment during the previous reporting period, all are on track to complete their traineeship in late 2017.



Our disability employment strategy provides a cohesive set of actions to help public authorities realise good practices around attracting, recruiting, retaining and developing people with a disability.



Lauren McGill was recruited by the Commission through our Aboriginal Traineeship Program in 2016/17

Our focus | Aboriginal employment

Providing opportunities for Aboriginal Australians

In October 2016, *Attract, appoint and advance: An employment strategy for Aboriginal people* was launched by the Commissioner and the Director of Equal Opportunity and Public Employment. The strategy's primary goal is to achieve greater retention and sustainable improvement in the representation of Aboriginal employees at all levels.

In 2017, to support our strategy, we commenced a pilot cadetship program for university students identifying as Aboriginal and Torres Strait Islander. The program provides a paid work placement for cadets in their final year of study. In 2016/17, three Aboriginal cadets participated in the program. We also continued to administer the Aboriginal Traineeship Program with 51 trainees commencing the program during 2016/17. An additional five full-time Aboriginal trainees were directly employed via our Traineeship Recruitment and Referral Service.

On successful completion, trainees receive a nationally recognised qualification and are supported by the Commission to identify ongoing employment opportunities. Of those who commenced the program in the previous cohort, 40 trainees received their qualification in 2016/17.

To further strengthen the sector's relationship with Aboriginal communities, we also offered placements for two public sector employees on the Jawun Indigenous Corporate Partnership Program. The program provides a unique development opportunity for public sector leaders by arranging short-term placements in Aboriginal organisations and communities.

did you know?

51 participants commenced our Aboriginal Traineeship Program in 2016/17

83% of trainees who commenced the traineeship program in 2015/16 received their qualification in 2016/17



Find out more about the work we are doing to facilitate **Aboriginal employment** in the public sector on our website

Multigenerational employment

There is now potential for contemporary workplaces to have five generations working alongside one another, creating both opportunities and challenges. As at March 2017, 52.6 per cent of the public sector workforce was aged 45 and over and 4.4 per cent is aged 24 and under.

The Commissioner and DEOPE's joint commitment *Time for action: diversity and inclusion in public employment* outlines a public sector goal of 5 per cent representation for people aged 24 and under by the end of 2018/19. To assist public authorities in achieving this goal, we are progressing a strategy for multigenerational employment and inclusion. This strategy will seek to guide public authorities in taking actions to reduce employment barriers for younger and older workers and provide practical advice on maximising the benefits of an intergenerational workforce.

As part of our commitment to increasing the representation of people aged 24 and under in the public sector, we maintain a pool of candidates who are prepared to start their career through a traineeship. In 2016/17, 63 full-time trainees and 17 school-based trainees commenced a traineeship across 40 public sector agencies via either direct employment, or through a hosting arrangement facilitated by the Commission. In addition, 19 school-based trainees are on track to complete their traineeship in late 2017. Upon completion, trainees will receive a nationally recognised qualification.

To retain talent and assist trainees to engage in employment within the public sector, we offer the Trainee Transition to Employment Recruitment and Referral Service. During 2016/17, 11 trainees transitioned to full-time or part-time Level 1 employment within the sector.

did you know?

45 is the median age of public sector employees

52.6% of the public sector workforce is aged 45 and over

while only **4.4%** is aged 24 and under

Time for action aims to achieve a public sector goal of 5 per cent representation for people aged 24 and under, by the end of 2018/19





Service 2

Assistance and support

The Commission recognises public authorities operate in a challenging environment and often face complex issues. Our assistance and support services help public authorities through these challenges, encouraging them to make decisions consistent with our desired outcome—an efficient and effective public sector that operates with integrity.

Our assistance and support services operate across a number of public authorities including public sector agencies, local governments, public universities, Government Trading Enterprises (GTEs) and government boards and committees. Our assistance and support activities are equally as broad.

This year, we worked with Government to implement its significant reform agenda. This included providing advice and support to agencies and interim CEOs as they transitioned to their new arrangements following the significant Machinery of Government changes. We have also been assisting the Government in its effort to reduce the size and cost of the SES.

These changes aim to improve the efficiency and effectiveness of the sector, while maintaining operational responsiveness and flexibility.

2016/17 in review



44 agencies impacted by Machinery of Government changes



3677 enquiries responded to or initiated on our advisory line



748 public sector employees assisted through voluntary redundancies



43 public authorities involved in our integrity evaluations



1195 participants attended conduct related training, workshops and information sessions



The reform program is the most significant to date, assisting to reduce the number of government departments by 40 per cent

Our focus | Machinery of Government

Facilitating a revitalised public sector

On 28 April 2017, the Premier announced a series of structural changes to the public sector, effective 1 July 2017. This announcement reflected the Government’s commitment to reduce the number of departments serving the Western Australian community and provide clearer roles and responsibilities for those that remain. A total of 44 agencies were impacted by the changes—an overview of these changes is provided in Appendix B.

In order to facilitate this commitment, a number of recommendations regarding the establishment, abolition, amalgamation and redesignation were made to the Governor under Section 35 of the *Public Sector Management Act 1994* (PSM Act).

As part of our role to achieve significant change over a short period of time, we worked closely with a number of stakeholders including impacted agencies and their boards, the Department of the Premier and Cabinet, the Department of Treasury, the State Solicitor's Office and relevant unions.

The Machinery of Government reforms aim to



reduce red tape to deliver services in a more efficient and effective way



create collaborative departments focused on whole-of-government objectives



initiate new opportunities for the public sector to drive long-term change

fast facts

9 newly created departments were operating as of 1 July 2017

We completed the Machinery of Government process in **45** working days from start to finish

Approximately

73 000

employees were directly affected as part of the Machinery of Government process



To keep up to date with progress visit the [Public Sector Renewal](#) page on our website

Our focus

Machinery of Government

A number of working groups were established, led by senior officers from the Commission, who liaised directly with the impacted and interim CEOs to progress the changes locally. A steering committee comprising the Commission, A/Director General of the Department of the Premier and Cabinet, and the Under Treasurer was established to oversee the reforms. Our staff also provided advice and support as required.

In further supporting the reform process, we developed and circulated information to impacted agencies by way of a 'Frequently Asked Questions' and the *Machinery of Government structural changes - Checklist for agencies* publication. This material provided guidance to affected agencies.

Further structural changes to the public sector are anticipated and the Commission will continue to assist the Government and agencies in implementing reform.



Human resource essentials

The Commission provides assistance to public sector Human Resource (HR) practitioners to manage their recruitment, redeployment and redundancy activities. A whole-of-government eRecruitment system is provided at no charge to public sector agencies to facilitate these processes.

Redeployment and redundancy

The Commissioner is responsible for administering the public sector's redeployment and redundancy framework. The framework provides approaches to assist public sector employers manage employees who are surplus to an agency's requirements or whose office, post or position has been abolished.

In 2016/17, 748 employees from across the public sector received a voluntary severance, which totalled \$85 948 181. A further nine employees who were registered for redeployment received redundancy payments totalling \$518 688. Of the employees who were registered for redeployment, 14 were successfully retained in the sector.

Over the course of the year, an average of 1045 vacant positions were posted for redeployment clearance each month. Since the introduction of the framework, the number of employees registered for redeployment has remained low. As at 30 June 2017, there were 11 registered redeployees.

To continue building the capacity of public sector agencies in relation to the redeployment and redundancy framework, we undertook 462 consultations with public sector agencies and conducted four information sessions to 102 attendees.

eRecruitment

The Recruitment Advertising and Management System provides HR practitioners with an online tool to manage their recruitment activities up to appointing a suitable applicant. In 2016/17, the Commission commenced an eRecruitment Strategy project and surveyed a number of agencies on the costs related to their HR solutions. This analysis will form a key component in examining future eRecruitment options for the sector.

Recruitment review

During the reporting period, we commissioned an assessment of recruitment performance across a sample of public of sector agencies. The review focused on the effectiveness of recruitment processes in terms of its structure, timeliness, cost and whether practices are conducive to creating a more skilled and diverse workforce.

The review found all sample agencies presented unique challenges in relation to talent acquisition and responded to these challenges in various ways. While the review identified pockets of excellence, overall there was a lower maturity level in recruitment practices than those observed in best practice organisations.

In response to the review and early observations made by the Service Priority Review and Directors General working groups, the Commission has identified opportunities to increase the flexibility of the HR framework and recruitment instruments. During the next reporting period, we intend to explore these opportunities.

CEO essentials

The Commission provides advice and assistance to public sector agencies regarding a range of Chief Executive Officer activities including recruitment, transfer, acting arrangements, appointments, remuneration, performance agreements, discipline and separation.

CEO appointments and reappointments

The Commissioner is responsible for the appointment and reappointment of public sector CEOs under sections 45 and 46 of the PSM Act.

In 2016/17, we facilitated 14 appointments and six reappointments to CEO positions. During the period, we also assisted in the appointment and reappointment of two statutory office holders. Appendix C outlines these in further detail.

CEO performance agreements

The performance agreements of CEOs drive outcomes and support accountability by documenting and promoting a shared understanding between the responsible authority, a CEO and the Commissioner. The agreements detail high-level outcomes and timeframes being sought by a responsible authority in relation to government priorities, agency specific objectives and sector-wide initiatives.

In consideration of significant changes to ministerial portfolios in 2016/17, CEOs were required to submit a letter of achievement to the Commissioner in lieu of the regular assessment process. A simplified CEO performance agreement process will be implemented in 2017/18 in recognition of the current Machinery of Government changes and the anticipated outcomes arising from the Service Priority Review.

CEO induction

A new induction program was introduced by the Commissioner in 2016 to coordinate a whole-of-sector induction for new CEOs. In 2016/17, five CEOs participated in the program.

Facilitated by the Commission, the induction program supports new CEOs by providing access to a panel of experienced CEOs and arranging one-on-one meetings with the Commissioner, the Under Treasurer, the Auditor General, the Director General of the Department of the Premier and Cabinet and the Director General of the Department of Finance.

The *CEO essentials guide*, offers an overview of their obligations and responsibilities including key elements of the legislative framework, accountability requirements and employment environment in which they operate.

Leadership essentials

The Commission continues to support high-level leadership by assisting senior executives and government boards and committees to understand their legislative and accountability requirements. We also provide advice and support to ministers on request.

The Senior Executive Service

The Commission is currently assisting the Government with its commitment to reduce the SES by 20 per cent. To meet this commitment, *Public Sector Commissioner's Circular 2017-02 - Workforce Management – Senior Executive Service and leave liability* was issued in May 2017. The policy provides advice in relation to the preliminary steps to be taken by agencies around their current SES cohort.

As part of this, applicable agencies were required to commence an immediate review of their SES positions and provide us with a plan of how the size and cost of their SES cohort could be reduced. Officers from the Commission conducted an audit of each agency's SES to assist during this process. To provide agencies with further information regarding methods to manage SES reduction requirements, *Public Sector Commissioner's Circular 2017-03 - Workforce Management – Senior Executive Service Reduction* was issued in June.

In 2016/17, a total of 22 payments offered under Section 59 of the PSM Act were approved, totalling \$4 386 831. The Commission will continue to provide regular reports to the Department of Treasury and the Service Priority Review relating to SES size and cost reductions.

Government boards and committees

The Commission has responsibility for recommending remuneration rates to ministers and Cabinet for a number of government boards and committees. This year, the Commission made 37 remuneration recommendations. Remuneration received by board and committee members is published in the annual reports of public authorities.

The Commission continues to strengthen its support for building the capability of government boards through the development of its board governance resources which now includes *Board essentials*, *Principles of good governance for boards and committees* and 27 separate *Good governance guides* on specific topics.

As part of our integrity promotion program, the Commissioner and staff regularly interact with government boards and committees to assist them in implementing effective systems and procedures to ensure good governance. In 2016/17, the Commissioner addressed 18 public sector boards and committees on good governance procedures, taking the total to 130 since 2012.

Ministers and Parliament

As one of our key stakeholders, it is important we maintain a strong relationship with the Government of the day and Parliament. During the reporting period, we continued to provide advice and support to members of Parliament.

During the reporting period, the Commissioner presented to new members of the Legislative Assembly and provided them with a clear understanding of the work undertaken by the Commission. Additionally, as part of our integrity promotion program, the Commissioner informed Chiefs of Staff and ministerial offices about misconduct prevention and ethical decision making through 17 information sessions.

Integrity essentials

The Commission continues to offer a range of training sessions, information resources and advisory services designed to assist public authorities to understand their obligations under the PSM Act, the CCM Act and the PID Act, and to build ethical cultures.

Advisory and consulting services

Our advisory line service assists individuals and public authorities with enquiries regarding a variety of conduct, integrity and ethical issues. During the year, the advisory line responded to or initiated 3677 enquiries, of which 272 consultations were specifically related to minor misconduct or integrity matters and 157 related specifically to public interest disclosure matters. We also completed 22 peer reviews of agency codes of conduct and conduct-related policies and procedures.

Capacity building and information sharing

Conduct and integrity related content was delivered to 467 attendees in 26 sessions through our existing 'Public interest disclosure (PID)', 'Accountable and ethical decision making', 'Integrity in recruitment' and 'Managing breach of standards claims' sessions.

Reflecting on the experience of other public authorities and past integrity risks can assist public authorities to mitigate similar risks in future. In 2016/17, we delivered 15 'Notification and reflection on the past year' sessions to 385 public officers throughout regional WA, the metropolitan area and online.

We also hosted a 'Community in Practice Forum' at which 58 public officers were able to engage with a panel of experienced governance practitioners from across local government, universities, GTEs and other agencies.

To support managers to understand their role in preventing misconduct, we also launched 'Misconduct prevention: An introductory workshop for managers'. To accompany this, 16 workshops were delivered to 285 managers and senior leaders across the metropolitan area and regional WA.

As part of our integrity promotion role, we support authorities to understand and meet their obligations under the PID Act. This includes assisting public authorities to develop their PID procedures, distributing a range of information resources, and delivering specialist training to PID officers. In 2016/17, we delivered 10 'Navigating the Public Interest Disclosure Act' sessions to 131 participants and two general awareness sessions on behalf of public authorities to 42 participants. We also completed two peer reviews of public authorities' PID procedures.

Partnering to build integrity

We provided input to 'Whistling While They Work 2', a research project led by Griffith University. As the lead partner agency for WA, we facilitated survey responses from 61 public authorities across the local government and public sectors. The project marks the first ever survey to collect data on whistleblowing processes in a consistent way across organisations from a full range of sectors in Australia and New Zealand.

The first stage of the survey measured the relative strength of organisational processes for responding to staff wrongdoing concerns. We anticipate once the research is finalised it will provide an invaluable snapshot of the effectiveness of whistleblowing practices. Findings from the project will inform our disclosures resources into the future.



what is whistleblowing?

"Whistleblowing is the disclosure by organisation members (former or current) of illegal, immoral or illegitimate practices under the control of their employers to persons that may be able to effect action."

Department of Parliamentary Services 2005, *Whistleblowing in Australia*

Our focus | Education

Building public officers' capability for ethical decision making

Public officers work in a dynamic and ever-changing environment, with increasing scrutiny on decision-making from Parliament, the media and the community.

The 'Accountable and ethical decision making' (AEDM) training program is the Commission's flagship ethics training package which has been integrated into the WA public sector since 2008.

The training is designed to assist public officers to: understand the accountability framework and how to navigate it; understand what it means to act in the public interest; find answers to ethical dilemmas that may arise in their daily work; and explain the standards of conduct expected of them.

We maintain and provide the program's curriculum and associated resources, but encourage public authorities to tailor the program according to their own integrity risk areas and business context. We also provide assistance to public authorities in relation to AEDM and the development of ethics training.

As part of our increased oversight, prevention and education responsibilities beyond the public sector, we tailored the AEDM program for a range of stakeholders including government boards and committees, ministerial offices and local governments.

The tailored program for local governments—while not mandatory—establishes some consistency in approach for educating local government employees about their ethical responsibilities.

During the next reporting year, we intend to explore the development of AEDM for the university sector, which has its own unique accountability and integrity risks to be managed.

did you know?

94 235

public sector employees have participated in AEDM training over the past five years



during the reporting period, the Commissioner personally delivered AEDM content to five new CEOs, as well as 17 ministerial offices and Chiefs of Staff



our Accountable and Ethical Decision Making training program has garnered positive attention both nationally and internationally



Further information on [accountable and ethical decision making](#) can be found on our website

Our focus | Prevention

Supporting integrity across the sector

As part of our integrated approach, we conduct evaluations under the Commissioner’s prevention and education functions to help mitigate integrity risks and ensure public authorities understand how to comply with their legislative requirements. Our findings help to advise and inform authorities on increasing their capability to prevent misconduct.

In 2016/17, we completed the following evaluations:

- Arrangements to manage misconduct and notify minor misconduct
- Personal use of publicly-funded facilities by public officers.

The evaluations resulted in 30 suggested improvements for public authorities to increase their capability to manage misconduct and strengthen their misconduct prevention and education activities.

During the reporting period, the Commission also commenced evaluations on the following topics:

- Managing secondary employment risks in public authorities
- Practices to prevent and manage bullying
- Integrity checking and capability, specifically in the oversight areas of public authorities.

Findings from these evaluations will be reported in the 2017 *State of the sectors* report.

In total, the above evaluations involved 43 public authorities. By selecting samples comprising a range of different types of authorities with a variety of workforce compositions, we seek to assure integrity risks are monitored and managed across all sectors. In doing so, we continue to strengthen our relationship with each sector and ensure our misconduct prevention assistance and advice remains relevant.



- 18 Public sector agencies (42%)
- 14 Local governments (33%)
- 4 Public universities (9%)
- 6 Government Trading Enterprises (14%)
- 1 Incorporated association (2%)

from our **evaluations**

30 suggested improvements for public authorities were recommended in 2016/17



Both evaluation reports completed in 2016/17 are available on the [Reviews](#) page on our website



Service 3

Oversight and reporting

For the public sector to fulfil the needs of the community, it requires the confidence of the public, Government and Parliament. We continue to strengthen public sector accountability and transparency through our involvement in special inquiries, reviews and oversight of minor misconduct.

Consistent with our 'pyramid of effort' approach, we focus on building the capacity of public authorities' to prevent and manage conduct related matters through our governance-enhancing and capability-building initiatives. By doing so, matters are appropriately dealt with by public authorities in the first instance, with further assistance provided where matters are particularly sensitive or complex.

Timely access to accurate data and information is essential to our monitoring, reporting and policy functions. We source intelligence about public sector administration and management performance through a range of survey tools, as well as through our operations and evaluations. We will continue to highlight key integrity risks existing in the sector and assist our stakeholders to mitigate these risks.

In 2016/17, the *Integrity (Lobbyists) Act 2016* (IL Act) introduced a statutory framework for the regulation of lobbying activity in Western Australia. The legislative changes have strengthened the role of the Commissioner in administering the Register to promote and enhance public confidence in the transparency, integrity and honesty of dealings between lobbyists and government representatives.

2016/17 in review



10 802 public sector employees participated in our Employee perception survey



534 minor misconduct matters received



11 investigations commenced by the Commission



90 breach of standard claims completed



96 lobbyist applications assessed

Conduct, integrity and accountability

We play an integral role in strengthening integrity and accountability across government through our broad oversight and reporting functions. This role is derived from a complex legislative framework spanning four separate pieces of legislation—the PSM Act, the CCM Act, the PID Act, and more recently, the IL Act.

These separate pieces of legislation work together to ensure conduct and integrity issues in public authorities are well monitored and managed.

Special inquiries

The Commissioner's oversight and reporting role includes the power to undertake special inquiries into any matter related to the public sector.

At the direction of the Premier, we are supporting the Government to undertake its 'Inquiry into Government Programs and Projects' to examine the governance arrangements and associated decision-making processes related to specific projects commenced under the previous Government. The final report is due to be provided to the Commissioner on or before 15 November 2017.

Reviews

Reviews are conducted in relation to the functions, management or operations of public sector authorities and are more likely to be used where matters concern structures, systems and processes. In undertaking a review under Section 24B of the PSM Act, the reviewer can exercise specific powers including entering the premises of a public sector authority and inspecting relevant documents.

In 2016/17, at the request of the former Minister for Sport and Recreation, the Commissioner undertook a review of the handling of a safety audit commissioned by the Department of Sport and Recreation. A copy of the review report was provided to the former minister.

During the year, we also commenced a review into the Forensic Biology department of PathWest following a request from the Minister for Health. The review is examining a random sample of forensic results between 2002 and 2017, to ensure compliance with protocols and procedures.

Additional analyses

We conduct additional analyses to advise our stakeholders on changes and improvements to enhance the integrity, efficiency and effectiveness of the sector. Often these analyses are undertaken using the Commissioner's general functions outlined in Section 21 of the PSM Act.

In 2016/17, we undertook five additional analyses:

- A governance enhancement initiative into the Rottnest Island Authority, from which 50 recommendations for improvement were provided to, and approved by the Board.
- An examination of the relationships between public sector agencies and ministerial offices. The full report is available on the Commission's website.
- Three examinations to monitor compliance with the Public Sector principles outlined in the PSM Act.

Investigations

The Commissioner's powers under the CCM Act and the PSM Act are used to investigate the activities of individual public officers as well as public sector authorities. These are generally initiated in relation to specific actions, activities or questions of conduct. Since 1 July 2016, the Commission has commenced 11 investigations including:

- two investigations under the CCM Act
- four preliminary inquiries under the CCM Act
- two investigations under the PSM Act
- three investigations in accordance with our functions under the PID Act.

Our focus | Minor misconduct

Overseeing minor misconduct to foster integrity across the sectors

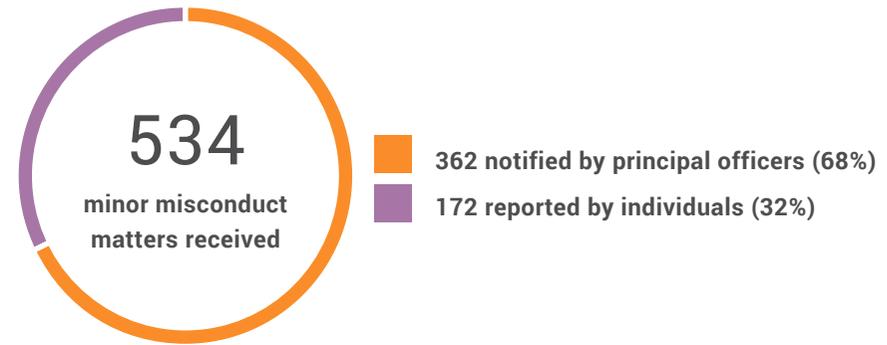
Our functions relating to the oversight of the minor misconduct of public officers include receiving and assessing notifications and reports, overseeing investigations of authorities and conducting our own investigations.

Profile

In 2016/17, we received 534 minor misconduct matters, comprising 969 allegations. Of these, 85 matters were referred from the Corruption and Crime Commission (CCC). A breakdown of these matters is provided in the following graphic. In comparison to 2015/16, there has been an increase in the proportion of minor misconduct matters reported by individuals by 13 percentage points.

Matters we received in 2016/17

Source



Type

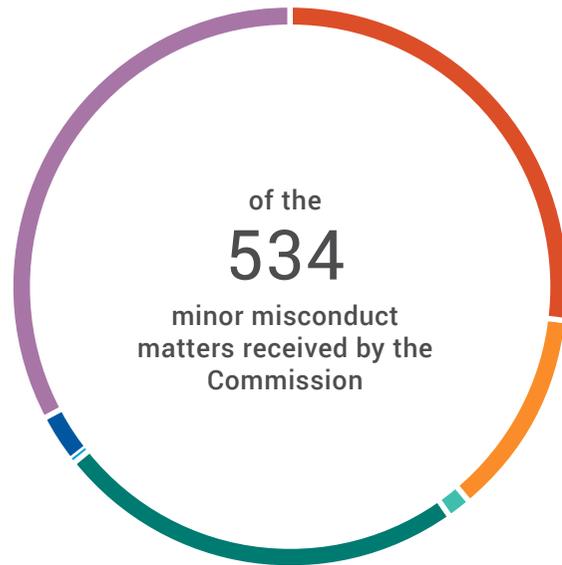


Our focus

Minor misconduct

Actions and outcome of matters

Action



- 144 were referred to the authority with a request to advise us of the outcome (27%)
- 65 were referred to the authority with a request to provide a report on the action taken to be reviewed by us (12%)
- 8 were referred to the appropriate authority with no obligation to provide us with further information (1%)
- 126 were referred to an appropriate third party for their action (123 of these to the CCC) (24%)
- 2 were investigated by us (less than 1%)
- 14 are ongoing (3%)
- 175 did not meet the definition of minor misconduct, or had otherwise been dealt with appropriately at the time of receipt (33%)

Outcome



- training, counselling or improvement (37%)
- termination (40%)
- other sanction applied (21%)
- no sanction applied (2%)

Action

Upon receipt of a matter, we carry out an initial assessment to determine the most appropriate course of action. On average, we handle minor misconduct matters in 20 days. This includes the time taken to assess the matter, determine and carry out any relevant action, and where appropriate, review action taken on matters by public authorities. This does not include the time taken by authorities to investigate matters.

We have a number of options available to progress or finalise a matter. In 2016/17, of the 534 matters received, the Commission took no action in relation to 175 matters as they did not meet the definition of minor misconduct, or had otherwise been dealt with appropriately at the time of receipt.

Outcome

In 2016/17, the Commission finalised 534 matters containing 879 allegations. These matters were received both during 2016/17 and 2015/16. Coincidentally, this is the same number as the total number of matters received during 2016/17.

Of the 879 allegations finalised, 304 were substantiated. The graphic provides a breakdown of the outcomes in relation to these allegations.

Ethical codes and standards

The Commissioner monitors alleged breaches of ethical codes and standards and reports them to Parliament in the *State of the sectors* report. This monitoring and reporting role allows us to identify trends relating to the conduct of public officers to inform our misconduct prevention and education role.

An overview of breach of standards claims and matters of referral considered by the Commission in 2016/17 are detailed in this section.

Breach of standards claims

Individuals who believe they have been adversely affected by an agency's decisions that contravenes a human resource standard may make a claim under the Public Sector Management (Breaches of Public Sector Standards) Regulations 2005. There were 90 breach of standards claims completed by the Commission in 2016/17, compared with 88 in 2015/16. Of the 90 claims considered, no claims were substantiated.

Matters of referral

We receive unsolicited complaints, letters of concern and referrals about a range of matters involving public sector integrity, management and administration—collectively called 'matters of referral'. In 2016/17, 33 matters of referral were completed by the Commission, compared with 75 in 2015/16.

Complexity of oversight matters completed in 2016/17

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 number of cases in 2016/17 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 has slightly decreased since the last reporting period.

Oversight matters completed within timeframe (%)

Category	2016/17	2015/16
Simple (30 days)	100%	85%
Routine (50 days)	91%	93%
Complex (120 days)	91%	96%
Totals	91%	93%

Public interest disclosure

The PID Act encourages individuals to speak up about wrongdoing in public authorities by providing protections for those making disclosures and those who are the subject of disclosures.

In 2016/17, we received four public interest disclosure matters, which were actioned and finalised as required by the PID Act.

Lobbyists

The *Integrity (Lobbyists) Act 2016* (IL Act) aims to enhance the transparency of dealings between lobbyists and government representatives, by prohibiting individuals or firms from lobbying on behalf of third parties unless they have been accepted on the Register of Lobbyists.

As at 30 June 2017, there were 113 registrants on the Register of Lobbyists and 251 listed lobbyists. During the reporting period, we assessed 96 registration applications.

In 2016/17, *Commissioner's Instruction 16 – Government representatives contact with registrants and lobbyists* was released, which sets out the minimum obligations of government representatives when dealing with lobbyists.

The Commission also issued a Code of conduct for lobbyists which sets out the appropriate accountability and standards of conduct to which a lobbyist must adhere.

To assist government officers and lobbyists to understand their obligations under the IL Act, we delivered training to 47 participants through our *Integrity (Lobbyists) Act 2016* familiarisation forums.

Legislation and policy

Legislative reform

Integrity (Lobbyists) Act 2016

Following Royal Assent being given on 11 July 2016, the IL Act came into effect on 12 December 2016. To assist and support stakeholders to prepare for the implementation of the new framework, we delivered a number of forums to both lobbyists and government officers.

Executive Officer Remuneration (Government Entities) Legislation Amendment Act 2016

To ensure remuneration is more consistent across the sectors, the *Executive Officer Remuneration (Government Entities) Legislation Amendment Act 2016* was passed by Parliament in November 2016.

This legislation provides a mechanism to bring the remuneration determination for Chief Executive Officers of listed GTEs within the jurisdiction of the Salaries and Allowances Tribunal.

Supporting subsidiary legislation will be progressed by the Salaries and Allowances Tribunal as required.

Policy advice

Public sector witnesses appearing before Parliamentary Committees

A revised draft of the *Public Sector Commissioner's Circular: 2010-03 Policy for Public Sector Witnesses Appearing Before Parliamentary Committees* was forwarded to the presiding officers of Parliament for feedback, which was received after consideration by the Procedures and Privileges Committee of the Legislative Assembly in October 2016. It is proposed the policy be submitted to Government for approval prior to promulgation.

Guidance for public sector officers standing as candidates for the 2017 State election

The *Public Sector Commissioner's Circular 2016-03: Involvement of public sector employees or officeholders in a State election or by-election* was developed and issued to provide guidance to employers and public sector officers who sought to nominate as candidates for the 2017 State election.

Establishment of a Rural Fire Service

Following the tabling of *Reframing Rural Fire Management: Report of the Special Inquiry into the January 2016 Waroona Fire*, the Commission assisted the Department of the Premier and Cabinet to advise the Government regarding options relating to the establishment of a Rural Fire Service.

Appearances by the Commissioner before Parliamentary Committees

The Commission continues to provide high-level information and advice to Government to strengthen public sector accountability and transparency. In 2016/17, the Commissioner appeared before the Joint Standing Committee on the Corruption and Crime Commission.

Collecting and reporting data

Collecting sector-wide data

The Commission monitors the sectors through annual surveys and quarterly workforce data collection. We rely on public authorities to provide accurate and timely data to ensure the integrity of our reporting to Parliament and the broader community, as we do with other advice, support and assurance activities.

Employee perception survey

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

This year the EPS was shortened and contemporised with amended questions relating to integrity, innovation, values and collaboration. A core group of questions were retained to enable a continued time series analysis.

In 2016/17, 15 agencies employing 10 802 employees participated in the EPS, with a response rate of 54 per cent. The results show the public sector has a relatively engaged workforce, with the overall engagement index increasing from 62 to 70 since last year.

Public sector entity survey

The Public sector entity survey (PSES) collects data on ethical codes, public interest disclosures, discipline and prevention and education activities undertaken by public sector entities. The PSES also collects information on workforce management strategies such as leadership and diversity planning.

Each year, the PSES is administered in July to seek information about the previous financial year. This reporting period, the PSES was conducted twice – the first in July 2016 and the second in May 2017.

Due to the changes occurring in the sector in the latter part of the year, the Commissioner decided to launch the 2017 PSES early, requiring agencies to report data for the period 1 July 2016 to 31 March 2017. This was to ensure data was collected from all agencies before any Machinery of Government changes took effect. The 2017 survey design focused on the resource burden on agencies in a climate of change. We had a 100 per cent response rate to both surveys.

Integrity and conduct survey

The Integrity and conduct survey (ICS) asks local governments, public universities, GTEs and government boards and committees for information about their policies and processes around public interest disclosure, conduct, and prevention and education related activities. We had a 61 per cent response rate to the ICS in July 2016.

did you know?

453

authorities were approached to provide information as part of our data collection program during 2016/17



Employee perception survey
15 authorities



Public sector entity survey
106 authorities (May 2017)
78 authorities (June 2016)



Integrity and conduct survey
353 authorities



Equal employment opportunity survey
157 authorities



Human resources minimum obligatory information requirement
96 authorities

Human resources minimum obligatory information requirement (HRMOIR)

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

In 2016/17, we moved our HRMOIR collection to a new platform that is more user friendly for agency staff, provides more automated features, and has the capability to be expanded in the future. The change was well received by users.

Equal employment opportunity survey

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

In 2017, the survey was reviewed and updated to better capture information for the DEOPE on activities to improve outcomes, achieve diversity targets and manage unconscious bias in the workplace. The survey also had a stronger focus on gender equality and strategies to improve workplace inclusion.

We have started offering the option for an 'X' (indeterminate, intersex, unspecified) gender option in survey. This now aligns with HRMOIR which has been able to capture 'X' for the past 12 months. In 2016/17 we had 99 per cent response rate to the EEO survey.

Reporting sector-wide data

In addition to the *Annual report*, we report the data we collect in a number of ways including:

- *State of the sectors* report
- *State of the sectors statistical bulletin*
- *Director of Equal Opportunity in Public Employment – Annual report*
- Quarterly workforce reports and quarterly entity profiles
- Individualised EPS reports to participating agencies.

Each year, we manage a number of ad hoc requests for data. Areas of interest from our stakeholders during the year included gender equality, innovation, leave liability and Aboriginal employment. We also continue to provide information to the Service Priority Review secretariat and respond to requests from the Government and Parliament.

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

Future data capture

Over the coming year, the Commission will examine how to roll out a unique identifier (Unifier) for all public sector employees to track who has been cited for conduct-related matters throughout the sector, and provide an integrity checking function as part of a robust pre-employment process.

It is anticipated the Unifier could eventually be used for talent identification, management and capability development tracking over time. We will also work towards implementing an interactive dashboard online to allow the public to explore the Commission's high-level conduct, and eventually workforce, data.

In addition, we are exploring options to conduct a whole-of-sector employee census to obtain a truly representative indication of the perceptions of all types of employees working in different occupations across the sector. It is anticipated the move to a census model will assist the Commission to gather more diverse perspectives and address any deficits in, or barriers to, engagement and productivity.



Section 4

Disclosures and legal compliance

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Financial statements

Certification of financial statements

for the year ended 30 June 2017

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 financial year ended 30 June 2017 and the financial position as at 30 June 2017.

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.



M C Wauchope AO
Accountable Authority
9 August 2017



T Williams
A/Chief Finance Officer
9 August 2017

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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 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

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 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Responsibility of the Public Sector Commissioner for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Controls

Opinion

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

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

In my opinion, in all material respects, the controls exercised by the Public Sector Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2017.

The Public Sector Commissioner's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the Key Performance Indicators**Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Public Sector Commission for the year ended 30 June 2017. 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 2017.

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

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

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

Auditor General's Responsibility

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

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Public Sector Commission for the year ended 30 June 2017 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.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
11 August 2017

Statement of comprehensive income

For the year ended 30 June 2017

	Note	2017 \$000	2016 \$000
Cost of services			
Expenses			
Employee benefits expense	6	18 607	17 745
Supplies and services	8	4263	4469
Depreciation and amortisation expense	9	60	204
Accommodation expenses	10	2401	2181
Grants and subsidies	11	890	1032
Other expenses	12	64	78
Total cost of services		26 285	25 709
Income			
Revenue			
User charges and fees	14	137	155
Other revenue	15	331	227
Total revenue		468	382
Total income other than income from State Government		468	382
Net cost of services		25 817	25 327
Income from State Government			
Service appropriation		26 636	27 478
Services received free of charge		1244	1093
Royalties for Regions Fund		35	26
Total income from State Government	16	27 915	28 597
Surplus/(deficit) for the period		2098	3270
Total comprehensive income for the period		2098	3270

See also the 'Schedule of income and expenses by service'. The 'Statement of comprehensive income' should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2017

	Note	2017 \$000	2016 \$000
Assets			
Current assets			
Cash and cash equivalents	28	12 710	10 191
Restricted cash and cash equivalents	17	-	-
Receivables	18	831	812
Amounts receivable for services	19	138	173
Other current assets	20	381	422
Total current assets		14 060	11 598
Non-current assets			
Restricted cash and cash equivalents	17	62	-
Amounts receivable for services	19	6890	6813
Property, plant and equipment	21	205	224
Intangible assets	22	-	-
Other non-current assets	20	58	104
Total non-current assets		7215	7141
Total assets		21 275	18 739
Liabilities			
Current liabilities			
Payables	24	1293	836
Provisions	25	4613	4432
Other current liabilities	26	50	73
Total current liabilities		5956	5341
Non-current liabilities			
Provisions	25	740	916
Total non-current liabilities		740	916
Total liabilities		6696	6257
Net assets		14 579	12 482
Equity			
Accumulated surplus/(deficit)	27	14 579	12 482
Total equity		14 579	12 482

See also the 'Schedule of assets and liabilities by service'. The 'Statement of financial position' should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2017

	Note	Contributed equity \$000	Accumulated surplus/(deficit) \$000	Total equity \$000
Balance as at 1 July 2015		-	9311	9311
Surplus/(deficit)		-	3270	3270
Total comprehensive income for the period		-	12 581	12 581
Transactions with owners in their capacity as owners:				
Capital appropriations		-	-	-
Distribution to owners		(100)	-	(100)
Transfer of contributed equity to Accumulated Surplus		100	(100)	-
Balance as at 30 June 2016	27	-	12 481	12 481
Balance as at 1 July 2016		-	12 481	12 481
Surplus/(deficit)		-	2098	2098
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	14 579	14 579
Transactions with owners in their capacity as owners:				
Capital appropriations		-	-	-
Distribution to owners		-	-	-
Transfer of contributed equity to Accumulated Surplus		-	-	-
Balance as at 30 June 2017	27	-	14 579	14 579

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 2017

	Note	2017 \$000	2016 \$000
Cash flows from State Government			
Service appropriation		26 421	27 119
Holding account drawdowns		173	173
Non-retained revenue distributed to owner		-	(100)
Royalties for Regions Fund		35	26
Net cash provided by State Government		26 629	27 218
Utilised as follows			
Cash flows from operating activities			
Payments			
Employee benefits		(18 653)	(17 956)
Supplies and services		(3350)	(3709)
Accommodation		(2048)	(2181)
Grants and subsidies		(895)	(926)
GST payments on purchases		(615)	(595)
GST payments to taxation authority		(66)	(45)
Receipts			
User charges and fees		110	167
GST receipts on sales		53	34
GST receipts from taxation authority		1128	560
Other receipts		331	214
Net cash provided by/(used in) operating activities	26	(24 005)	(24 437)
Cash flows from investing activities			
Payments			
Purchase of non-current assets		(43)	(68)
Net cash provided by/(used in) investing activities		(43)	(68)
Net increase/(decrease) in cash and cash equivalents		2581	2713
Cash and cash equivalents at the beginning of period		10 191	7478
Cash and cash equivalents at the end of period	26	12 772	10 191

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 2017

	2017 Estimate \$000	2017 Actual \$000	Variance \$000	2017 Actual \$000	2016 Actual \$000	Variance \$000
Delivery of services						
Item 7 - Net amount appropriated to deliver services	25 730	25 730	-	25 730	26 328	(598)
Amount authorised by Other Statutes						
- <i>Salaries and Allowances Act 1975</i>	906	906	-	906	1 150	(244)
Total appropriations provided to deliver services	26 636	26 636	-	26 636	27 478	(842)
Details of expenses by service						
Service 1 - Public sector leadership	8 445	5 957	2 488	5 957	7 157	(1 200)
Service 2 - Assistance and support	10 370	9 538	832	9 538	9 891	(353)
Service 3 - Oversight and reporting	10 024	10 790	(766)	10 790	8 661	2 129
Total cost of services	28 839	26 285	2 554	26 285	25 709	576
Less total income ^(a)	(393)	(468)	75	(468)	(382)	(86)
Net cost of services	28 446	25 817	2 629	25 817	25 327	490
Adjustments	(1 810)	819	(2 629)	819	2 151	(1 332)
Total appropriations provided to deliver services	26 636	26 636	-	26 636	27 478	(842)
Capital expenditure						
Purchase of non-current assets	173	150	-	150	68	82
Adjustments for other funding sources	(173)	(150)	-	(150)	(68)	(82)
Capital appropriations	-	-	-	-	-	-

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation. Note 32 'Explanatory statement' provides details of any significant variations between estimates for 2017 and actual results for 2017 and between the actual results for 2017 and 2016.

Schedule of income and expenses by service

For the year ended 30 June 2017

	Service 1 Public sector leadership		Service 2 Assistance and support		Service 3 Oversight and reporting		Total	
	2017 \$000	2016 \$000	2017 \$000	2016 \$000	2017 \$000	2016 \$000	2017 \$000	2016 \$000
Cost of services								
Expenses								
Employee benefits expense	3857	4751	7329	6541	7421	6453	18 607	17 745
Supplies and services	1067	1307	1123	1829	2073	1333	4263	4469
Depreciation and amortisation expense	16	57	13	68	31	79	60	204
Accommodation expenses	434	656	833	752	1134	773	2401	2181
Grants and subsidies	570	354	221	678	99	-	890	1032
Carrying amount of non-current assets disposed	3	-	-	-	-	-	3	-
Other expenses	10	32	19	23	32	23	61	78
Total cost of services	5957	7157	9538	9891	10 790	8661	26 285	25 709
Income								
User charges and fees	135	154	1	1	1	-	137	155
Other revenue ^(a)	213	189	52	20	66	18	331	227
Total income other than income from State Government	348	343	53	21	67	18	468	382
Net cost of services	5609	6814	9485	9870	10 723	8643	25 817	25 327
Income from State Government								
Service appropriation	6021	8434	9007	9934	11 608	9110	26 636	27 478
Services received free of charge	218	220	429	423	597	450	1244	1093
Royalties for Regions Fund ^(a)	35	26	-	-	-	-	35	26
Total income from State Government	6274	8680	9436	10 357	12 205	9560	27 915	28 597
Surplus/(deficit) for the period	665	1866	(49)	487	1482	917	2098	3270

The 'Schedule of income and expense by service' should be read in conjunction with the accompanying notes.

(a) The 2016 actual has been recast to match current year's reporting parameters.

Schedule of assets and liabilities by service

As at 30 June 2017

	Service 1 Public sector leadership		Service 2 Assistance and support		Service 3 Oversight and reporting		Total	
	2017 \$000	2016 \$000	2017 \$000	2016 \$000	2017 \$000	2016 \$000	2017 \$000	2016 \$000
Assets								
Current assets	2496	2855	4442	4531	7122	4212	14 060	11 598
Non-current assets	1184	1748	2196	2586	3835	2807	7215	7141
Total assets	3680	4603	6638	7117	10 957	7019	21 275	18 739
Liabilities								
Current liabilities	940	1209	2652	2247	2364	1885	5956	5341
Non-current liabilities	168	282	309	287	263	347	740	916
Total liabilities	1108	1491	2961	2534	2627	2232	6696	6257
Net assets	2572	3112	3677	4583	8330	4787	14 579	12 482

The 'Schedule of assets and liabilities by service' should be read in conjunction with the accompanying notes.

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Notes to the financial statements

1 Australian Accounting Standards

a) General

The Commission's financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Commission has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

b) Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by *Treasurer's Instruction 1101 - Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2017.

2 Summary of significant accounting policies

a) General statement

The Commission is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's

Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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.

b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000).

Refer to Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Commission's accounting policies resulting in the most significant effect on the amounts recognised in the financial statements.

Refer to Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

c) Reporting entity

The reporting entity comprises the Commission.

Mission

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

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

Services

The Commission provides the following services.

- **Service 1 - Public sector leadership** - This service develops and supports current and future leaders and builds the capacity of the public sector workforce through the delivery of leadership and workforce development products, programs and training.
- **Service 2 - Assistance and support** - This service provides advice, assistance and support to public sector bodies and employees on a range of administration, management, integrity and governance matters.
- **Service 3 - Oversight and reporting** - This service progresses changes to legislation and develops policies to improve public administration and management and provides independent oversight to monitor and report to the Parliament of Western Australia and Ministers on compliance with the

Public Sector Management Act 1994, the Corruption, Crime and Misconduct Act 2003, the Public Interest Disclosure Act 2003 and Part IX of the Equal Opportunity Act 1984.

d) 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.

e) Income

Revenue recognition

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

Provision of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Service appropriations

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.

Net appropriation determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Commission. In accordance with the most recent determination, as quantified in the 2016-17 Budget Statements, the Commission retained \$1 649 000 (\$1 038 000 in 2016) from the following:

- Proceeds from fees and charges
- GST input credits
- GST receipts on sales
- Other receipts.

Grants, donations, gifts and other non-reciprocal contributions

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

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

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Commission obtains control over the funds. The Commission obtains control of the funds at the time the funds are deposited into the Commission's bank account.

Gains

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

f) Property, plant and equipment

Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5000 are immediately expensed direct to the 'Statement of comprehensive income' (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

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.

Depreciation

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

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

- Computer hardware - 3 years
- Office equipment - 5 years
- Leasehold improvement - 5 to 10 years dependent on the life of the lease
- Furniture, fixtures and fittings - 10 years.

g) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5000 or more and internally generated intangible assets costing \$50 000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the ‘Statement of comprehensive income’.

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

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

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

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

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

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

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Computer software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5000 is expensed in the year of acquisition.

Website costs

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website that can be reliably measured are capitalised to the extent that they represent probable future economic benefits.

h) Impairment of assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset’s fair value less costs to sell and depreciated replacement cost.

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

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

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

i) Leases

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

j) Financial instruments

In addition to cash, the Commission has two categories of financial instrument:

- Loans and receivables
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes.

Financial assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial liabilities

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

k) Cash and cash equivalents

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

l) Accrued salaries

Accrued salaries (refer Note 24 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see Note 17 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

m) Amounts receivable for services (holding account)

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

n) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

o) Payables

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.

p) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave and Long service leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is, therefore, considered to be 'other long-term employees benefits'.

Annual and long service leave not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments, consideration is given to expected future wage and salary levels, including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using the 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 flows.

The provision for annual leave is classified as a current liability 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.

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. 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.

q) Superannuation

The Government Employees Superannuation Board (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.

Eligible employees contribute to the 'Pension Scheme', a defined benefit pension scheme closed to new members since 1987, or to the 'Gold State Superannuation Scheme' (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the 'West State Superannuation Scheme' (WSS). Employees commencing employment on or after 16 April 2007 became members of the 'GESB Super Scheme' (GESBS). From 30 March 2012 existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The Commission makes contributions to GESB or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Commission's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Commission to GESB extinguish the agency's obligations to the related superannuation liability.

The Commission has no liabilities under the Pension Scheme or the GSS. 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 GESB.

GESB makes all benefit payments in respect of the Pension Scheme and GSS and is recouped from the Treasurer for the employer's share.

Provisions - other

Employment on-costs

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' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

Superannuation expense

Superannuation expense is recognised in the profit or loss of the 'Statement of comprehensive income' and comprises employer contributions paid to the GSS (concurrent contributions), the WSS, GESBS or other superannuation funds. The employer contribution paid to GESB in respect of the GSS is paid back into the Consolidated Account by GESB.

r) Assets and services received free of charge or for nominal cost

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'.

s) Comparative figures

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

3 Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Commission evaluates these judgements regularly.

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.

4 Key sources of estimation uncertainty

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.

Long service leave

Several estimations and assumptions used in calculating the Commission's long service leave provision 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.

5 Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2016 that impacted on the Commission.

AASB 1057

Application of Australian Accounting Standards

This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.

AASB 2014-3

Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]

The Commission establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.

AASB 2014-4

Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]

The adoption of this Standard has no financial impact for the Commission as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.

AASB 2014-9**Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]**

This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. As the Commission has no joint ventures and associates, the application of the Standard has no financial impact.

AASB 2015-1**Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]**

These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Commission has determined that the application of the Standard has no financial impact.

AASB 2015-2**Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]**

This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.

AASB 2015-6**Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]**

The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.

AASB 2015-10**Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 & 128**

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & AASB 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

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

AASB 9 - Financial Instruments

Operative for reporting periods beginning on/after 1 January 2018

This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 *Amendments to Australian Accounting Standards*. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 15 - Revenue from Contracts with Customers

Operative for reporting periods beginning on/after 1 January 2018

This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 16 - Leases

Operative for reporting periods beginning on/after 1 January 2019

This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 1057 - Application of Australian Accounting Standards

Operative for reporting periods beginning on/after 1 January 2016

This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.

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

Operative for reporting periods beginning on/after 1 January 2018

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

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

AASB 2014-1 - Amendments to Australian Accounting Standards

Operative for reporting periods beginning on/after 1 January 2018

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

AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]

Operative for reporting periods beginning on/after 1 January 2016

The Commission establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]

Operative for reporting periods beginning on/after 1 January 2016

The adoption of this Standard has no financial impact for the Commission as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.

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

Operative for reporting periods beginning on/after 1 January 2018

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

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

Operative for reporting periods beginning on/after 1 January 2018

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

AASB 2014-9 - Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]

Operative for reporting periods beginning on/after 1 January 2016

This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2014-10 - Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]

Operative for reporting periods beginning on/after 1 January 2016

This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2015-1 - Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]

Operative for reporting periods beginning on/after 1 January 2016

These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle in September 2014, and editorial corrections. The Commission has determined that the application of the Standard has no financial impact.

AASB 2015-2 - Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]

Operative for reporting periods beginning on/after 1 January 2016

This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.

AASB 2015-6 - Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]

Operative for reporting periods beginning on/after 1 July 2016

The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.

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

Operative for reporting periods beginning on/after 1 January 2017

This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Commission has not yet determined the application or the potential impact of AASB 15.

AASB 2015-10 - Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 & 128

Operative for reporting periods beginning on/after 1 January 2016

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. The Commission has not yet determined the application or the potential impact of AASB 2014-10.

AASB 2016-2 - Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

Operative for reporting periods beginning on/after 1 January 2017

This Standard amends AASB 107 *Statement of Cash Flows* (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.

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

Operative for reporting periods beginning on/after 1 January 2018

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

AASB 2016-4 - Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities

This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*. The Commission has not yet determined the application or the potential impact.

6 Employee benefits expense

	2017 \$000	2016 \$000
Wages and salaries ^(a)	16 989	16 113
Superannuation - defined contribution plans ^{(b) (c)}	1 618	1 632
Total employee benefits expense	18 607	17 745

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State, Gold State, GESB and other eligible funds.

(c) GESB is a related party as described in Note 13 'Related party transactions'.

Employment on-costs expenses such as workers' compensation insurance are included at Note 12 'Other expenses'.

Employment on-costs liability is included at Note 25 'Provisions'.

7 Compensation of key management personnel

The Commission has determined that key management personnel include Ministers and senior officers of the Commission. However, the Commission is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the *Annual Report on State Finances*.

Total compensation for senior officers of the Department for the reporting period are presented within the following bands:

Compensation band (\$)	2017	2016
530 001 - 540 000	1	-
470 001 - 480 000	-	1
390 001 - 400 000 Part year only in 2017	1	-
250 001 - 260 000	-	1
220 001 - 230 000	2	1
210 001 - 220 000	-	1
200 001 - 210 000	-	1
190 001 - 200 000	-	1
170 001 - 180 000 Part year only in 2017	1	-
140 001 - 150 000	1	-
130 001 - 140 000 Part year only in 2017	1	1
120 001 - 130 000 Part year only in 2017	1	-
110 001 - 120 000	-	1
80 001 - 90 000 Part year only in 2017	1	-
70 001 - 80 000		1
60 001 - 70 000		1
30 001 - 40 000		1
	2017 \$000	2016 \$000
Short-term employee benefits	1 599	1 955
Post-employment benefits ^(a)	195	-
Other long-term benefits	35	(35)
Termination benefits	214	60
Total compensation of senior officers	2 043	1 980

(a) Post employment benefits includes superannuation which was part of Short Term Benefits in 2016.

	2017 \$000	2016 \$000
8 Supplies and services		
Communications	32	27
Freight and mail services	7	8
Consultants and contractors	2838	3008
Consumables	324	349
Repair and maintenance	54	50
Travel	54	54
Insurance premiums	92	133
Licences, fees and registration	138	182
Operating lease, rental and hire cost	127	145
Non-staff training initiatives	380	380
Other	217	133
Total supplies and services	4263	4469

9 Depreciation and amortisation expense

Depreciation		
Leasehold improvement	23	18
Computer hardware	2	2
Furniture and fittings	5	1
Office equipment	30	33
Total depreciation	60	54
Amortisation		
Computer Software	-	63
Licences	-	87
Total amortisation	-	150
Total depreciation and amortisation	60	204

10 Accommodation expenses

Lease rentals	2401	2181
Total accommodation expenses	2401	2181

Refer to Note 13 Related Party Transactions

Department of Finance (for accommodation) \$352 690

	2017 \$000	2016 \$000
11 Grants and subsidies		
Government agency grants	220	516
Scholarships	27	39
External grants	643	477
Total grants expense	890	1032
Grants to government agencies (refer also to Note 13 'Related party transactions')		
Office of Emergency Management	141 991	
Department of Finance	12 080	
Department of Health of WA	11 957	
Department of Transport	11 613	
South Metropolitan TAFE	6901	
Department of Fisheries	6209	
WA Country Health Service - Kimberley	5406	
Department of State Development	4722	
Western Australia Police	3968	
Department of Mines and Petroleum	3668	
Department of Treasury	2546	
Workcover WA	2238	
North Metropolitan Health Service	2183	
WA Country Health Service	1539	
Department of the Premier and Cabinet	883	
Department of Education	553	
Department of Corrective Services	490	
North Regional TAFE	359	
Department of the Attorney General (WA)	123	
Grand total	219 428	

12 Other expenses

	2017 \$000	2016 \$000
Employment on-costs	1	2
Professional services ^(a)	58	72
Bad Debts - Written off	3	-
Doubtful debts expense	2	4
Total other expenses	64	78

(a) Includes Audit fees, see also Note 31 'Remuneration of auditor'.

13 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 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 their related bodies, that are included in the whole of government consolidated financial statements
- associates and joint ventures of an entity that are included in the whole of government consolidated financial statements
- the Government Employees Superannuation Board.

Significant transactions with government related entities

Significant transactions include:

- Service appropriations (Note 16)
- Services received free of charge (Note 16)
- Royalties for Regions Fund (Note 16)
- Lease rentals payments to the Department of Finance (Note 10)
- Grants (Note 11).

Significant transactions with related entities

- Superannuation payments to GESB (Note 6).

Significant transactions with related parties and Key Management Personnel

The Commission had no material related party transactions with previous Ministers or senior officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

	2017 \$000	2016 \$000
Fees	137	155
Total charges and fees	137	155

14 User charges and fees

	2017 \$000	2016 \$000
15 Other revenue		
Recoups	68	22
Contributions by senior officers to the Government Vehicle Scheme	28	23
Australian Apprenticeships Incentive Program	197	178
Other miscellaneous revenue	38	4
Total other revenue	331	227
16 Income from State Government		
Appropriation received during the period		
Service appropriation ^(a) ^(c)	26 636	27 478
Services provided free of charge from other State Government agencies during the period:		
Department of the Premier and Cabinet - corporate support services ^(c)	710	485
Department of Finance - accommodation lease services ^(c)	353	453
Department of Transport - planning services ^(c)	2	-
Department of the Attorney General - legal services ^(c)	179	155
	1244	1093
Royalties for Regions Fund		
Regional Community Services Account ^(b) ^(c)	-	2
Regional Workers Incentive	35	24
	35	26
Total income from State Government	27 915	28 597

	2017 \$000	2016 \$000
(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the budgeted depreciation expense for the period and any agreed increase in leave liabilities during the year.		
(b) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in Western Australian regional areas.		
(c) This is a government controlled entity and is a related party (refer Note 13 'Related party transactions')		

17 Restricted cash and cash equivalents

Current	2017 \$000	2016 \$000
Accrued salaries suspense account ^(a)	62	-
Total restricted cash and cash equivalents	62	-

(a) Amount held in the suspense account is for the purpose of meeting the 27th pay in a financial year that occurs every 11th year.

	2017 \$000	2016 \$000
18 Receivables		
Current		
Receivables	626	628
Allowance for impairment of receivables	(15)	(17)
GST receivable	34	177
	645	788
Loans and advances	-	-
Other debtors	186	24
	186	24
Total current	831	812
Reconciliation of changes in the allowance for impairment of receivables		
Balance at start of period	17	35
Doubtful debts expense	1	4
Amounts written off during the period	(2)	(19)
Amounts recovered during the period	(1)	(1)
Impairment losses reversed during the period	-	(2)
Balance at end of period	15	17

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

19 Amounts receivable for services (holding account)

	2017 \$000	2016 \$000
Current	138	173
Non-current	6890	6813
Total amounts receivable for services (holding account)	7028	6986

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.

20 Other assets

	2017 \$000	2016 \$000
Current		
Prepayments	381	422
Non-current		
Prepayments	58	104
Total other assets	439	526

21 Property, plant and equipment

	2017 \$000	2016 \$000
Computer hardware		
At cost	29	29
Accumulated depreciation	(27)	(25)
	2	4
Office equipment		
At cost	177	171
Accumulated depreciation	(123)	(98)
	54	73
Leasehold improvement		
At cost	181	158
Accumulated depreciation	(72)	(49)
	109	109
Furniture and fittings		
At cost	46	39
Accumulated depreciation	(6)	(1)
	40	38
Total property, plant and equipment	205	224
Reconciliation - Computer hardware		
Carrying amount at start of period	4	6
Additions	-	-
Depreciation	(2)	(2)
Carrying amount at end of period	2	4

	2017 \$000	2016 \$000
Reconciliation - Office equipment		
Carrying amount at start of period	73	106
Additions	12	-
Other disposals	(1)	-
Depreciation	(30)	(33)
Carrying amount at end of period	54	73
Reconciliation - Leasehold improvements		
Carrying amount at start of period	109	98
Additions	23	29
Depreciation	(23)	(18)
Carrying amount at end of period	109	109
Reconciliation - Furniture and fittings		
Carrying amount at start of period	38	-
Additions	7	39
Depreciation	(5)	(1)
Carrying amount at end of period	40	38
Reconciliation - Total		
Carrying amount at start of period	224	210
Additions	42	68
Other disposals	(1)	-
Depreciation	(60)	(54)
Carrying amount at end of period	205	224

	2017 \$000	2016 \$000
22 Intangible assets		
Licences		
At cost	310	310
Accumulated amortisation	(310)	(310)
Carrying amount at end of period	-	-
Computer software		
At cost	230	230
Accumulated amortisation	(230)	(230)
Carrying amount at end of period	-	-
Total intangible assets	-	-
Reconciliation - Licences		
Carrying amount at start of period	-	87
Amortisation expense	-	(87)
Carrying amount at end of period	-	-
Reconciliation - Computer software		
Carrying amount at start of period	-	81
Additions	-	-
Other disposals	-	(18)
Amortisation expense	-	(63)
Carrying amount at end of period	-	-
Reconciliation - Total		
Carrying amount at start of period	-	168
Other disposals	-	(18)
Amortisation expense	-	(150)
Carrying amount at end of period	-	-

23 Impairment of assets

There were no indications of impairment to property, plant and equipment and intangible assets as at 30 June 2017. The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period.

24 Payables

	2017 \$000	2016 \$000
Current		
Payables	750	399
Accrued salaries	63	245
Accrued expenses	480	192
Total current payables	1293	836

25 Provisions

	2017 \$000	2016 \$000
Current		
Employee benefits provision		
Annual leave including superannuation ^(a)	1487	1470
Long service leave including superannuation ^(b)	3103	2941
	4590	4411
Other provisions		
Employment on-costs ^(c)	23	21
	4613	4432
Non-current		
Employee benefits provision		
Long service leave including superannuation ^(b)	736	911
	736	911
Other provisions		
Employment on-costs ^(c)	4	5
	740	916

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

Within 12 months of the end of the reporting period	1087	1127
More than 12 months after the end of the reporting period	400	343
	1487	1470

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows.

	2017 \$000	2016 \$000
Within 12 months of the end of the reporting period	1593	1523
More than 12 months after the end of the reporting period	2246	2329
	3839	3852

(c) 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. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in Note 12 'Other expenses'.

Movements in each class of provisions during the period, other than employee benefits, are set out below.

	2017 \$000	2016 \$000
Employment on-cost provision		
Carrying amount at start of period	26	24
Additional provisions recognised	1	2
Payments/other sacrifices of economic benefits	-	-
Carrying amount at end of period	27	26

26 Other liabilities

	2017 \$000	2016 \$000
Current		
Income received in advance	50	73
Total other liabilities	50	73

27 Equity

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

	2017 \$000	2016 \$000
Contributed equity		
Balance at start of period	-	-
Contributions by owners		
Capital appropriations	-	-
Total contributions by owners	-	-
Distributions to owners		
Transfer of surplus cash to the Consolidated Account	-	(100)
Total distributions to owners	-	(100)
Transfer of debit balance to Accumulated Surplus	-	100
Balance at end of period	-	-
Accumulated surplus/(deficit)		
Balance at the start of period	12 482	9312
Transfer of debit balance to Accumulated Surplus	-	(100)
Result for the period	2098	3270
Balance at end of period	14 579	12 482
Total equity at the end of the period	14 579	12 482

28 Notes to the Statement of cash flows

Reconciliation of cash

Cash at the end of the financial year as shown in the 'Statement of cash flows' is reconciled to the related items in the 'Statement of financial position' as follows.

	2017 \$000	2016 \$000
Cash and cash equivalents	12 710	10 191
Restricted cash and cash equivalents (Note 17)	62	-
	12 772	10 191

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

	2017 \$000	2016 \$000
Net cost of services ^(a)	(25 817)	(25 327)
Non-cash items		
Depreciation and amortisation expense (Note 9)	60	204
Services received free of charge (Note 16)	1244	1093
(Increase)/decrease in assets		
Current receivables ^(b)	(162)	(324)
Other current assets	41	564
Other non-current assets	46	(104)
Increase/(decrease) in liabilities		
Current payables ^(b)	76	(448)
Current provisions	181	(37)
Non-current provisions	(176)	(12)
Net GST receipts/(payments) ^(c)	502	17
Change in GST in receivables/payables ^(d)	-	(63)
Net cash provided by/(used in) operating activities	(24 005)	(24 437)

(a) The 2016 actual has been recast to match current year's reporting parameters.

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

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

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

	2017 \$000	2016 \$000
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29 Services provided free of charge

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

Director of Equal Opportunity in Public Employment		
Executive Support	172	128
Office of Emergency Management		
Accommodation and Utilities	147	
Salaries and Allowances Tribunal		
Corporate Services	20	15
Total services provided free of charge	339	143

30 Commitments

The commitments below are inclusive of GST.

Non-cancellable operating lease commitments		
Commitments for minimum lease payments are payable as follows.		
Within 1 year	2080	2649
Later than 1 year and not later than 5 years	39	2696
	2119	5345

The Commission has entered into a Memorandum of Understanding (MoU) with the Department of Finance - Building Management and Works for office accommodation with a three year and 4 month term in 2012, with two possible three year extensions. The first extension was exercised from 1 July 2015. Rent is payable at the start of each month, for that month. Provisions in the MoU require market rental review dates on the 1 July 2017 and 1 July 2019.

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

Within 1 year	-	-
	-	-

	2017 \$000	2016 \$000
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Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows.

Within 1 year	1093	1954
Later than 1 year and not later than 5 years	142	510
Total commitments	1235	2464

31 Remuneration of auditor

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

Auditing the accounts, financial statements and performance indicators	58	57
Total remuneration of auditor	58	57

32 Explanatory statement: Statement of comprehensive income

All variances between estimates (original budget) and actual results for 2017, and between the actual results for 2017 and 2016 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- 5% and \$514 180 for the Statements of comprehensive income and Cash flows
- 5% and \$303 400 for the Statement of financial position.

	Variance Note	Original budget 2017 \$000	Actual 2017 \$000	Actual 2016 \$000	Variance between budget and actual for 2017 \$000	Variance between actual results for 2017 and 2016 \$000
(Controlled operations)						
Employee benefits expense	1, A	20 649	18 607	17 745	(2 042)	862
Supplies and services		4420	4263	4469	(157)	(206)
Depreciation and amortisation expense		215	60	204	(155)	(144)
Accommodation expenses		2454	2401	2181	(53)	220
Grants and subsidies		842	890	1032	48	(142)
Other expenses		259	64	78	(195)	(14)
Total cost of services		28 839	26 285	25 709	(2554)	576
Income						
Revenue						
User charges and fees		285	137	155	(148)	(18)
Other revenue ^(a)		108	331	227	223	104
Total revenue		393	468	382	75	86
Total income other than income from State Government		393	468	382	75	86
Net cost of services		28 446	25 817	25 327	(2 629)	490
Income from State Government						
Service appropriation	B	26 636	26 636	27 478	-	(842)
Services received free of charge		1550	1244	1093	(306)	151
Royalties for Regions Fund ^(a)		42	35	26	(7)	9
Total income from State Government		28 228	27 915	28 597	(313)	(682)
Surplus/(deficit) for the period		(218)	2098	3270	2 316	(1172)
Total comprehensive income for the period		(218)	2098	3270	2316	(1172)

(a) The 2016 actual has been recast to match current year's reporting parameters.

32 Explanatory statement: Statement of financial position

	Variance Note	Original budget 2017 \$000	Actual 2017 \$000	Actual 2016 \$000	Variance between budget and actual for 2017 \$000	Variance between actual results for 2017 and 2016 \$000
(Controlled operations)						
Assets						
Current assets						
Cash and cash equivalents	2, C	6492	12 710	10 191	6218	2519
Restricted cash and cash equivalents		-	-	-	-	-
Receivables	3	346	831	812	485	19
Amounts receivable for services		138	138	173	-	(35)
Other current assets	3	1084	381	422	(703)	(41)
Total current assets		8060	14 060	11 598	6000	2462
Non-current assets						
Amounts receivable for services		6839	6890	6813	51	77
Property, plant and equipment		120	205	224	85	(19)
Intangible assets		19	-	-	(19)	-
Restricted cash and cash equivalents		71	62	-	(9)	62
Other non-current assets		63	58	104	(5)	(46)
Total non-current assets		7112	7215	7141	103	136
Total assets		15 172	21 275	18 739	6103	2598
Liabilities						
Current liabilities						
Payables	D	737	1293	836	556	457
Provisions		4381	4613	4432	232	181
Other current liabilities		222	50	73	(172)	(23)
Total current liabilities		5340	5956	5341	616	615
Non-current liabilities						
Provisions		991	740	916	(251)	(176)
Other non-current liabilities		4	-	-	(4)	-
Total non-current liabilities		995	740	916	(255)	(176)
Total liabilities		6335	6696	6257	361	439
Net assets		8837	14 579	12 482	5742	2159
Equity						
Contributed equity		-	-	-	-	-
Accumulated surplus/(deficit)		8837	14 579	12 482	5742	2097
Total equity		8837	14 579	12 482	5742	2097

(a) The 2016 actual has been recast to match current year's reporting parameters.

32 Explanatory statement: Statement of cash flows

	Variance Note	Original budget 2017 \$000	Actual 2017 \$000	Actual 2016 \$000	Variance between budget and actual for 2017 \$000	Variance between actual results for 2017 and 2016 \$000
(Controlled operations)						
Cash flows from State Government						
Service appropriation	E	26 421	26 421	27 119	-	(698)
Holding account drawdowns		173	173	173	-	-
Non-retained revenue distributed to owner		-	-	(100)	-	100
Royalties for Regions Fund ^(a)		42	35	26	(7)	9
Receipts paid into the consolidated account		-	-	-	-	-
Net cash provided by State Government		26 636	26 629	27 218	(7)	(589)
Utilised as follows						
Cash flows from operating activities						
Payments						
Employee benefits	4, F	(20 572)	(18 653)	(17 956)	1919	(697)
Supplies and services		(3175)	(3350)	(3709)	(175)	359
Accommodation		(2454)	(2048)	(2181)	406	133
Grants and subsidies		(842)	(895)	(926)	(53)	31
GST payments on purchases		(411)	(615)	(595)	(204)	(20)
GST payments to taxation authority		(87)	(66)	(45)	21	(21)
Receipts						
User charges and fees	5	285	110	167	(175)	(57)
Commonwealth grants and contributions		-	-	-	-	-
GST receipts on sales		87	53	34	(34)	19
GST receipts from taxation authority	D	418	1128	560	710	568
Other receipts ^(a)		108	331	214	223	117
Net cash provided by/(used in) operating activities		(26 643)	(24 005)	(24 437)	2 638	432
Cash flows from investing activities						
Payments						
Purchase of non-current assets		(173)	(43)	(68)	130	25
Net cash provided by/(used in) investing activities		(173)	(43)	(68)	130	25
Net increase/(decrease) in cash and cash equivalents		(180)	2581	2713	2761	(132)
Cash and cash equivalents at the beginning of period		6743	10 191	7478	3448	2713
Cash and cash equivalents at the end of period		6563	12 772	10 191	6209	2581

(a) The 2016 actual has been recast to match current year's reporting parameters.

32 Explanatory statement: Major Variance Narratives (Controlled Operations)

Variations between estimate and actual

- 1 Employee benefits expense underspent by \$2.042 million (10 per cent) partly due to vacancies not being filled ahead of the Agency Expenditure Review reductions, unfilled vacancies resulting from secondments to other agencies and the decline in Aboriginal trainees.
- 2 Cash and cash equivalents were higher than estimated (by \$6.218 million) mainly due to an underspend of employee benefits of \$2.042 million and a surplus carried over from 2015/16 of \$3.270 million.
- 3 Compared to budget Other Current Assets were \$703,000 less; however, this is offset by higher than anticipated Receivables relating to CEO recruitment and other recoverables of approximately \$457,000.
- 4 Employee benefits expense was underspent by \$1.919 million (18 per cent) mainly due to vacancies not being filled ahead of the expected reductions resulting from the Agency Expenditure Review.
- 5 The reduced revenue was a result of reduced fees for training programs both in charge rates and participants.

Variations between actual results for 2017 and 2016

- A Employee benefits expense increased by \$862,000 (5 per cent) mostly as a result of termination payments under Section 56(3) of the *Public Sector Management Act 1994*.
- B Service Appropriation decreased by \$842 000 mostly as a result of the introduction of the Workforce Renewal policy.
- C Cash and cash equivalents increased by \$2.519 million (25 per cent) mainly due to an operating surplus of \$2.098 million.
- D Compared to prior periods and budget, the variation in Payables is mainly attributable to monies paid to the Commission by the Australian Taxation Office (ATO) during June 2017. The amount of \$357 000 was treated as a payable as it is due to be returned to the ATO.
- E The decline in Service Appropriation was mostly a result of reduced funding following the implementation of the Workforce Renewal Policy.
- F The decline in Employee Benefits was mostly a result of reduced expenditure following the implementation of the Workforce Renewal Policy.

33 Financial instruments

a) Financial risk management objectives and policies

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

Credit risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment, as shown in the table at Note 33(c) ‘Financial instruments disclosures’ and Note 18 ‘Receivables’.

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

Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due. The Commission is exposed to liquidity risk through its trading in the normal course of business.

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

Market risk

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

b) Categories of financial instruments

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

	2017 \$000	2016 \$000
Financial assets		
Cash and cash equivalents	12 710	10 191
Restricted cash and cash equivalents	62	-
Loans and receivables ^(a)	7825	7621
Financial liabilities		
Payables	1293	836

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

33 Financial instruments (continued)

c) Financial instrument disclosures

Credit risk

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

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

Ageing analysis of financial assets

	Carrying amount \$000	Not past due and not impaired \$000	Past due but not impaired					Impaired financial assets
			Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000	
2017								
Cash and cash equivalents	12 710	12 710	-	-	-	-	-	-
Restricted cash and cash equivalents	62	62	-	-	-	-	-	-
Receivables ^(a)	797	736	50	-	11	-	-	15 ^(b)
Amounts receivable for services	7028	7028	-	-	-	-	-	-
	20 597	20 536	50	-	11	-	-	15
2016								
Cash and cash equivalents	10 191	10 191	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables ^(a)	635	502	83	22	28	-	-	17 ^(b)
Amounts receivable for services	6986	6986	-	-	-	-	-	-
	17 812	17 679	83	22	28	-	-	17

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

(b) Impairment provided for potential uncollectable debts.

33 Financial instruments (continued)

Liquidity risk and interest rate exposure

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

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

	Weighted average effective interest rate %	Interest rate exposure				Nominal amount \$000	Maturity dates				
		Carrying amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000		Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
2017											
Financial assets											
Cash and cash equivalents	-	12 710	-	-	12 710	12 710	12 710	-	-	-	-
Restricted cash and cash equivalents	-	62	-	-	62	62	62	-	-	-	-
Receivables ^(a)	-	797	-	-	797	797	786	-	11	-	-
Amounts receivable for services	-	7028	-	-	7028	7028	-	-	138	6890	-
		20 597	-	-	20 597	20 597	13 558	-	149	6890	-
Financial liabilities											
Payables	-	1293	-	-	1293	1293	1293	-	-	-	-
		1293	-	-	1293	1293	1293	-	-	-	-

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

33 Financial instruments (continued)

Liquidity risk and interest rate exposure

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

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

	Weighted average effective interest rate %	Interest rate exposure				Nominal amount \$000	Maturity dates				
		Carrying amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000		Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
2016											
Financial assets											
Cash and cash equivalents	-	10 191	-	-	10 191	10 191	10 191	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Receivables ^(a) ^(b)	-	812	-	-	812	812	762	22	28	-	-
Amounts receivable for services	-	6986	-	-	6986	6986	-	-	173	6813	-
		17 989	-	-	17 989	17 989	10 953	22	201	6813	-
Financial liabilities											
Payables	-	836	-	-	836	836	836	-	-	-	-
		836	-	-	836	836	836	-	-	-	-

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

(b) The 2016 actual has been recast to match current year's reporting parameters.

34 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.

35 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 \$906 000 for 2016-17 (\$1 150 000 for 2015-16).

36 Contingent liabilities and contingent assets

Contingent liabilities

The Commission has no contingent liabilities.

Contaminated sites

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

Contingent assets

The Commission has no contingent assets.

37 Supplementary financial information

Write-offs

During the financial year \$4162.38 (2015-16: \$23 205.59) was written off the Commission’s receivables relating to salary overpayments deemed unrecoverable under the authority of:

	2017 \$000	2016 \$000
The Accountable Authority	4	23
	4	23

Key performance indicators

Certification of key performance indicators for the year ended 30 June 2017

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 2017.



M C Wauchope AO
Accountable Authority
9 August 2017

Contents for key performance indicators

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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 of a 'greater focus on achieving results in key service delivery areas for the benefit of all Western Australians'.

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

1. Public sector leadership
2. Assistance and support
3. Oversight and reporting.

Measurement of agency level outcomes

Key effectiveness indicators

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

In total, the 2016/17 survey was distributed to 124 core clients. Due to the caretaker period and the State election, the 2016/17 survey was not distributed to ministerial offices.

The Commission's core clients for 2016/17 captured a large scope of clients comprised of:

- 40 departments created under Section 35 of the PSM Act
- 37 SES organisations specified in Schedule 2, Column 2, of the PSM Act
- 47 non-SES organisations including government boards and committees that have undertaken the Commission's good governance and ethical decision making professional development within the financial year.

The 2016/17 survey asked our core clients to rate how the advice and guidance offered by the Commission assisted them with the promotion of integrity, effectiveness and efficiency within their organisation. The survey also asked clients to rate how the Commission's assistance has helped them meet their statutory obligations under the PID Act and under Part IX of the EO Act.

The survey offered a four-step rating from strongly agree to strongly disagree, with an additional 'not applicable' option. The Commission received a 54 per cent response rate to the survey, a decline of 20 percentage points on last year's response. Due to the caretaker period and the State election, the response period was half as long as the previous year's response period. Given this, a significant decrease in the response rate was anticipated.

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

Key effectiveness indicator	Target 2016/17	Actual 2016/17	Variance	Actual 2015/16	Actual 2014/15
The portion of core clients who indicate the Commission has delivered policy, assistance and oversight that has assisted them to enhance integrity within their agencies ^(a)	85%	92.5%	7.5% ⁽ⁱ⁾	95.5%	97%
The portion of core clients who indicate the Commission has delivered policy, assistance and oversight that has assisted them to enhance the effectiveness and efficiency of their agencies ^(b)	85%	88.1%	3.1% ⁽ⁱ⁾	85.6%	89%
The portion of core clients who indicate that assistance provided by the Commission has helped them to meet their statutory obligations under the PID Act ^(c)	75%	79.1%	4.1% ⁽ⁱ⁾	83.8%	75%
The portion of core clients who indicate assistance provided by the Commission has helped them to meet statutory obligations under Part IX of the EO Act ^(d)	75%	71.6%	(3.4%) ⁽ⁱⁱ⁾	72.1%	69%

(d) This indicator measures how the Commission is increasing the understanding of issues related to compliance of Part IX of the EO Act in public authorities through advisory services, product delivery and professional development. Data for this measure was collected from the Client perception survey.

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

ii. The variance between the targeted and actual key effectiveness indicator responses may be attributed to agencies having established strong equal opportunity mechanisms over previous years, resulting in a decreased need to seek advice from the Commission in this area.

(a) This indicator measures the Commission’s capability at enhancing integrity in agencies through the minimum requirements of the principles of merit, equity, probity, integrity in an official conduct, ethical codes and human resource management. Data for this measure was collected from the Client perception survey.

(b) This indicator measures the Commission’s capacity at enhancing effectiveness and efficiency of public administration and management in agencies through legislative reform, the accountability framework, policies, advisory services and professional development. Data for this measure was collected from the Client perception survey.

(c) This indicator measures how the Commission is increasing the understanding of issues related to compliance of the PID Act in public authorities through advisory services, product delivery and professional development. Data for this measure was collected from the Client perception survey.

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.

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

Service 1 – Public sector leadership

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

Key efficiency indicator	Target 2016/17	Actual 2016/17	Variance	Actual 2015/16	Actual 2014/15
Average cost per leadership development product, program or training hour	\$117	\$144	\$27 (a)	\$117	\$109
Average cost per workforce development program, product or training hour	\$122	\$147	\$25 (b)	\$117	\$118

- (a) The average cost per leadership development product, program or training hour in 2016/17 was higher than the 2016/17 target. This was a result of a reduction in hours applied to directly support the leadership programs as they mature; whilst fixed costs remained constant and they were apportioned to fewer hours.
- (b) The average cost per workforce development program, product or training hour in 2016/17 was higher than the 2016/17 target as additional costs were incurred to provide new traineeship and university cadetship programs whilst the hours used to support the programs were sourced from within the existing staff resources.

Service 2 – Assistance and support

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

Key efficiency indicator	Target 2016/17	Actual 2016/17	Variance	Actual 2015/16	Actual 2014/15
Average cost per hour of assistance and support provided	\$87	\$106	\$19 (a)	\$92	\$93
Average cost per public administration, standards and integrity program, product or training hour	\$114	\$112	(\$2)	\$85	\$120

- (a) The average cost per hour of assistance and support provided in 2016/17 was higher than the 2016/17 target. This is due to a reduction of hours as a result of staff movements within the Commission; whilst fixed costs remained constant for the function and they were apportioned to fewer hours.
- (b) The average cost per public administration, standards and integrity program, product or training hour in 2016/17 was lower than the 2016/17 target due to the rationalisation of positions as a part of the Agency Expenditure Review.

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 PSM Act, the CCM Act, the PID Act and Part IX of the EO Act.

Key efficiency indicator	Target 2016/17	Actual 2016/17	Variance	Actual 2015/16	Actual 2014/15
Average cost per hour of performance and oversight activity	\$107	\$111	\$4 ^(a)	\$98 ^(b)	\$102
Average cost per hour addressing legislative and policy development	\$95	\$102	\$7 ^(c)	\$91 ^(b)	\$97
Percentage of oversight actions completed within target timeframes	90%	91%	(1%)	93%	89%

- (a) The actual average cost per hour of performance and oversight activity in 2016/17 was higher than the 2016/17 target due to salary costs being greater than expected, reflecting the seniority of staff members delivering this service.
- (b) The actual average cost per hour of performance and oversight activity and the actual average cost per hour addressing legislative and policy development in 2015/16 was less than the 2014/15 actual, 2016/17 actual and 2016/17 target. Operating costs attributed to this function were reduced due to an internal functional review and realignment of the Commission’s structure during 2015/16.
- (c) The actual average cost per hour addressing legislative and policy development in 2016/17 was higher than the 2016/17 target as a result of staff movements which reduced hours attributed to this function; whilst fixed costs remained constant and were apportioned to fewer hours.

Other legal and policy requirements

Disability access and inclusion plan

Our *Disability access and inclusion plan 2015-2020* outlines our disability access and inclusion priorities over a five year period and builds upon our past achievements. We continue to meet our commitment to providing equitable and inclusive access for people with disability to our services, facilities and information by:

- partnering with JobAccess to ensure our policies, procedures and recruitment practices support participation, inclusion and access for people with disability in our organisation
- providing targeted training to employees to identify and manage conscious and unconscious biases and how these can impact on recruitment decisions
- providing mental health first aid and disability awareness training for our employees.

In accordance with the *Disability Services Act 1993*, a progress report has been submitted to the Disability Services Commission outlining our progress against strategies contained in the plan.



You can download a copy of our [*Disability access and inclusion plan 2015-2020*](#) from our website

Substantive equality

We recognise the diversity of our employees and our stakeholders, and are committed to achieving equitable service opportunities and outcomes to meet their needs. Our commitment to the Government’s *Policy Framework for Substantive Equality* is reflected in our Code of conduct and embedded into our human resource policies, procedures and guidelines. *Our people, our future - Workforce and diversity plan 2015-17* and *Disability access and inclusion plan 2015-2020* reflects our commitment to providing a fair and equitable working environment. Both plans are reviewed regularly to ensure they reflect the current requirements of the Commission.

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

Record keeping plan

Our record keeping plan recognises that record keeping services are provided through a bureau service arrangement with the Department of the Premier and Cabinet (DPC). Accordingly, we share common records management procedures and a controlled vocabulary with DPC, which are reviewed annually. We provide online awareness training to staff, which complements the record awareness component of our induction program.

Electoral Act 1907 Section 175ZE

In accordance with Section 175ZE of the *Electoral Act 1907*, we incurred the following expenditure in advertising, market research, polling, direct mail and media advertising.

Applications	Expenditure 2016/17
Advertising	
▪ Adcorp	\$146 049
▪ Austel Australia Pty Ltd	\$295
▪ Careerhub Pty Ltd	\$164
▪ Seek	\$270
▪ Telstra	\$10 634
Market research	Nil
Polling	Nil
Direct mail	Nil
Media advertising	
▪ Radio advertising - Aboriginal Traineeship Program	\$3044
Total expenditure	\$160 456

Compliance with public sector standards and ethical codes

Our organisational culture is based on integrity, transparency and accountability, and we encourage our employees to model behaviour that reflects this.

We comply with the Public Sector Standards in Human Resource Management and the Western Australian Public Sector Code of Ethics (the Standards). We inform our employees of these standards by providing information to new employees as part of the induction process, conducting 'Accountable and Ethical Decision Making' training and publishing information on our Intranet.

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

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

Applications for breach of standard and corresponding outcomes for 2016/17

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

Occupational safety and health

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

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

During the reporting year, we supported and promoted employee health and wellbeing by providing return to work programs, reasonable workplace adjustments, at work influenza vaccinations, corporate health fund discounts, resuscitation training, ergonomic assessments, provision of sit-stand desks, superannuation and retirement planning sessions and recognition of and participation in community events.

Employees also had the opportunity to undertake mental health awareness training, donate blood, and are entitled to an eyesight screening and testing subsidy every two years. We continue to provide employees and their families access to an Employee Assistance Program.

We take a proactive approach to injury management and have established worker's compensation, injury management and return to work policies, procedures and documentation in accordance with the *Occupational Safety and Health Act 1984* and the *Worker's Compensation and Injury Management Act 1981*. All OSH related policies and procedures are available to staff on our Intranet. We are a member of the Public Sector Safety, Health and Injury Management Steering Committee, which identifies, develops and implements strategic initiatives in accordance with the Government Leading the Way in Public Sector Safety, Health and Injury Management initiative. In addition, trained first aid officers are located throughout the Commission to ensure that immediate assistance is available when required.

We continue to ensure our occupational safety and health management systems meet WorkSafe's criteria as set out in the WorkSafe Plan.

Measures

The following table provides actual results for the 2016/17 reporting period against targets specified in *Public Sector Commissioner’s Circular 2012-05: Code of Practice-Occupational Safety and Health in the Western Australian Public Sector*. We had no lost time injuries during the period.

Safety health and injury management performance reporting

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	Target	Comment
Number of fatalities	0	0	0	0	0	0	0	Achieved
Percentage of lost time injury/disease incidence rate	0%	1.5%	0.8%	0.76%	1.49%	0.69%	0 or 10% improvement on the previous three years	Achieved
Percentage of lost time injury/disease severity rate	0	0	0	0	0	0	0 or 10% reduction	Achieved
Percentage of injured workers returned to work within:							Greater than or equal to 80% return to work within 26 weeks	Achieved
▪ 13 weeks	N/A	100%	100%	100%	100%	100%		Achieved
▪ 26 weeks	N/A	100%	100%	100%	100%	100%		Achieved
Percentage of managers trained in OSH and injury management responsibilities	94%	89%	95%	97%	82%	71%	Greater than or equal to 80%	Exceeded the 80% target

Freedom of information

We assist Freedom of information (FOI) applicants to access available documents at the lowest possible cost. The table below provides a summary of applications finalised during 2016/17. A more comprehensive breakdown of our statistics are provided in the annual report of the Office of the Information Commissioner.

Applications	2016/17	2015/16	2014/15	2013/14	2012/13
Received during the year	10	6	9*	4	10
Finalised during the year	10	6	8	4	9
Average time to process (days)	34	45	42	40	28

* 1 application incomplete

Applications	2016/17	2015/16	2014/15	2013/14	2012/13
Full access	1	0	0	0	0
Edited access	6	4	8	3	4
Deferred access	0	0	0	0	0
Section 26 access	0	0	0	0	1
Section 28 access	0	0	0	0	0
Access refused	0	0	0	0	3
Total decisions	7	4	8	3	8
Transferred to other agencies	0	1	0	1	0
Withdrawn	3	1	0	0	1
Total applications	10	6	8	4	9

Salaries and Allowances Tribunal

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

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

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

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

As a consequence of the Tribunal’s affiliated body status, this report appears in the annual report of the Commission.



Appendices

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Appendix C: CEO appointments and reappointments 2016/17	100

Appendix A

Leadership development programs

Public Sector Commission programs

Leadership essentials

Designed for leaders at PSGOGA levels 7–9 and equivalent to support their development to be successful senior executives. The program involves the completion of four modules, coaching sessions and group work completed over nine months.

Management essentials

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

Graduate development program

This program builds a whole-of-government perspective among new graduates and assists them in developing an appreciation of the complexity, importance and breadth of the public sector in WA. The 10-month program applies a blended learning approach through formal training, group and peer learning and on-the-job application of knowledge.

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

Executive Masters in Public Administration (EMPA)

The EMPA is a two year part-time, post graduate qualification based on scholarship arrangements. In 2016, the program included the option to attend a component delivered in Singapore, as part of our partnership with the Lee Kuan Yew School of Public Policy.

Executive Fellows Program (EFP)

This three-week intensive residential program brings together 80 senior executives, leading academics and experienced practitioners from Australia, New Zealand and overseas. In 2016, this program included a component delivered in Singapore for the first time.

CEO Forum

Each year, ANZSOG invites each jurisdiction to nominate CEOs to participate in a national forum designed to enable chief executives to share practices and insights with their peers, to reflect on these, and to develop their thinking about how best to deal with challenges in common. Since 2014, 17 chief executives from the WA public sector have participated in these forums.

Leadership seminars

Through ANZSOG's global reach, this program is designed to bring some of the world's leading academics, subject matter experts and highly experienced and respected practitioners from Australia and overseas to WA audiences. In 2016/17, the Commission delivered 14 events with the assistance of six international and national speakers, that were attended by chief executives, senior executives, aspiring leaders and practitioners.

Topics included evidence-based decision making; outcomes-based frameworks; Indigenous public servant leadership; public service motivation; good governance; collaborative leadership; managing in a volatile, uncertain and ambiguous world; and improving the quality of policy advice.

Appendix B

Summary of Machinery of Government changes

Amalgamations

New departments	Previous departments
Department of Jobs, Tourism, Science and Innovation	Department of State Development Department of Commerce ¹ Western Australian Tourism Commission ²
Department of Mines, Industry Regulation and Safety	Department of Mines and Petroleum Department of Commerce ³
Department of Primary Industries and Regional Development	Department of Agriculture and Food Department of Regional Development Department of Fisheries Regional Development Commissions ⁴
Department of Communities	Department of Child Protection and Family Support Department of Housing ⁵ Disability Services Commission Department of Local Government and Communities ⁶
Department of Biodiversity, Conservation and Attractions	Department of Parks and Wildlife Botanical Gardens and Parks Authority Zoological Parks Authority Rottneest Island Authority
Department of Justice	Department of the Attorney General Department of Corrective Services
Department of Education	Department of Education Department of Education Services School Curriculum and Standards Authority
Western Australia Police	Western Australia Police Road Safety Commission ⁷
Department of Planning, Lands and Heritage ⁸	Department of Planning Department of Lands State Heritage Office
Department of Water and Environmental Regulation	Department of Water Department of Environment Regulation Office of the Environment Protection Authority

New departments

Department of Local Government, Sport and Cultural Industries

Previous departments

Department of Local Government and Communities ⁹
Department of Culture and the Arts
Department of Racing, Gaming and Liquor
Department of Sport and Recreation

Change in duties

Department

Changes

Department of Finance

Strengthened focus on procurement reform to create local jobs.
Assume responsibility for strategic projects (excluding asset sales).
Lead delivery of building and management services.

Department of Treasury

Assume responsibility for Economic Reform and the Public Utilities Office.

Department of Training and Workforce Development

Undertake significant internal reform.
More strongly align training service provision to industry needs.

Department of Transport

Accelerate internal cultural reforms to better integrate Main Roads and the Public Transport Authority.

Department of the Premier and Cabinet

Assume responsibility for Aboriginal affairs policy.

1 Industry promotion and functions

2 Trading as Tourism WA

3 Regulatory functions and Labour Relations

4 Staff only, entities will remain

5 Including Housing Authority

6 Communities functions including seniors, volunteering and youth

7 Staff only, entity will remain

8 Includes Aboriginal heritage and Aboriginal land matters

9 Local Government functions and multicultural interests

Appendix C

Appointments and reappointments of CEO positions 2016/17

Appointments 2016/17

Position and agency	Appointee
Chief Executive Officer, Tourism Western Australia	Mr Edmund (Gwyn) Dolphin
Director, Gascoyne Development Commission	Mr Gavin Robins
Director, Peel Development Commission	Mr Andrew Ward
Director, Pilbara Development Commission	Mr Terry Hill
Director General, Department of Commerce	Ms Anne Driscoll
Director General, Department of the Attorney General	Dr Adam Tomison
Director General, Department of Transport; Chief Executive Officer, Public Transport Authority; Commissioner of Main Roads, Main Roads WA (concurrent appointment)	Mr Richard Sellers
Managing Director, Central Regional TAFE	Mr William (Bill) Swetman
Managing Director, North Metropolitan TAFE	Ms Michelle Hoad
Managing Director, North Regional TAFE	Mr Kevin Doig
Managing Director, South Metropolitan TAFE	Ms Terry Durant
Managing Director, South Regional TAFE	Mr Duncan Anderson

Reappointments 2016/17

Position and agency	Appointee
Chief Executive Officer, Insurance Commission of Western Australia	Mr Rod Whithear
Chief Executive Officer, Metropolitan Redevelopment Authority	Mr Kieran Kinsella
Commissioner, Small Business Development Corporation	Mr David Eaton
Director General, Department of Education and Chief Executive Officer, Country High School Hostels Authority (concurrent appointment)	Ms Sharyn O'Neill
Director General, Department of State Development	Mr Stephen Wood

In 2016/17 we also assisted in the recruitment, appointment and reappointment of the following statutory office holders:

- Mr Chris Field, Parliamentary Commissioner for Administrative Investigations (Ombudsman).
- Ms Rebecca Harris, Director of Equal Opportunity in Public Employment.

Glossary

Term	Definition
Aboriginal Australian	People of Aboriginal and/or Torres Strait Islander descent who identify as such, and are accepted as such, by the community in which they live.
Act	A law made by Parliament, and known as an Act of Parliament.
Allegation	A claim that an individual has engaged in a specific instance of conduct which is suspected to amount to minor misconduct. A matter may contain more than one allegation.
Breach of standard	A determination by the Commissioner that one or more of the requirements of a public sector standard have or have not been complied with.
Code of conduct	A formal written policy documenting the behaviour expected of all employees of a public authority. Under the PSM Act each public sector body is expected to develop a code of conduct consistent with the public sector Code of Ethics.
Code of Ethics	The Western Australian Code of Ethics outlines the minimum standards of conduct and integrity for public sector bodies and employees outlines in the PSM Act.
Department	An organisation established under Section 35 of the PSM Act.
Ethical codes	Ethical codes are made up of the Code of Ethics together with authority-specific codes of conduct.

Term	Definition
Full-time equivalent	One Full-time equivalent (FTE) is one person paid for a full-time position. FTE totals include all current employees except board members (unless they are on a public sector authority payroll), trainees engaged through any traineeship program, award or agreement, and casuals who were not paid in the final pay period for the financial year. FTE calculations do not include any time is not ordinary time paid, such as overtime and flex-time.
Headcount	Number of employees directly employed by a public sector agency at a point in time, regardless of employment type.
Leaders	A term used to refer to leadership roles in general and not only limited to Management Tiers 1, 2 and 3.
LGBTI people	Refers to people who identify as Lesbian, Gay, Bisexual, Transgender or Intersex.
Managers	A term used to refer to mid-level supervisors.
Matter	An issue being dealt with by the Commission (created by a report or notification) which relates to, or is suspected to relate to minor misconduct.
Non-SES organisation	A term defined by Section 3 of the PSM Act.
People 24 and under	A term applied to the diversity group commonly referred to as 'youth'.

Glossary

Term	Definition
People 45 and over	A term applied to the diversity group commonly referred to as 'mature-aged'.
People from culturally and linguistically diverse backgrounds	A term applied to people born in countries other than those below, which have been categorised by the Australian Bureau of Statistics as mainly English speaking countries: Australia, Canada, England, Ireland, New Zealand, Northern Ireland, Scotland, South Africa, United States of America, Wales.
People with disability	A term applied to people with ongoing disability who have an employment restriction that requires any of the following: modified hours of work or time schedules; adaptations to the workplace or work area; specialised equipment; extra time for mobility or for some tasks; ongoing assistance or supervision to carry out their duties.

Term	Definition
Public authority	For the purposes of this report, the term generally includes all State Government agencies, local governments, public universities, GTEs and many government boards and committees. The term public authority has specific legislative meaning in the PID Act, EO Act and CCM Act.
Public officer	For the purposes of this report, the term refers to all people in public employment.
Public sector	Refers collectively to departments, SES organisations, non-SES organisations and ministerial offices.
Senior Executive Service (SES)	Generally comprises positions classified at Public Service and Government Officers General Agreement 2014 equivalent Level 9 and above, with specific management or policy responsibilities.
Non-SES organisation	An organisation listed in Schedule 2 of the PSM Act.
Women in management	For the public sector, women in management refers to the representation of women in the top three management tiers, and includes the SES.

Shortened forms

Term	Definition
ANZSOG	Australian and New Zealand School of Government
CaLD	Culturally and linguistically diverse
CCC	Corruption and Crime Commission
CCM Act	<i>Corruption, Crime and Misconduct Act 2003</i>
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CHRO	Chief Human Resource Officer
CIO	Chief Information Officer
Commission	Public Sector Commission
Commissioner	Public Sector Commissioner
CPS	Client perception survey
DEOPE	Director of Equal Opportunity in Public Employment
EO Act	<i>Equal Opportunity Act 1984</i>
EPS	Employee perception survey
FOI	Freedom of information
FTE	Full-time equivalent
GTE	Government Trading Enterprise

Term	Definition
HR	Human resources
HRMOIR	Human resource minimum obligatory information requirement
ICS	Integrity and conduct survey
ICT	Information and communications technology
IL Act	<i>Integrity Lobbyist Act 2016</i>
KEI	Key effectiveness indicator
LGBTI	Lesbian, Gay, Bisexual, Transgender or Intersex
MOG	Machinery of Government
OGCIO	Office of the Government Chief Information Officer
OSH	Occupational safety and health
PID Act	<i>Public Interest Disclosure Act 2003</i>
PSES	Public sector entity survey
PSGOGA	Public Service and Government Officers General Agreement
PSM Act	<i>Public Sector Management Act 1994</i>
SES	Senior Executive Service
SPR	Service Priority Review
WA	Western Australia or Western Australian

The Public Sector Commission encourages your comment to help us improve the clarity, and presentation of our publications. Your assistance in completing this form would be greatly appreciated.

1 Did the report help you form an understanding of the Commission and its purpose, services and performance?

not at all | not really | somewhat | yes | absolutely

2 Did you find the design and presentation functional and effective?

not at all | not really | somewhat | yes | absolutely

3 Was the report clear, concise and easy to understand?

not at all | not really | somewhat | yes | absolutely

4 Did you find the structural format of the report simple and logical?

not at all | not really | somewhat | yes | absolutely

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