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or via the Web Pages:

<http://www.wa.gov.au/opssc/>

<http://www.oeeo.wa.gov.au>

*For people with disabilities this document and other publications listed, can be made available in alternative formats on request.



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STATEMENT OF COMPLIANCE

HON DR G I GALLOP MLA
MINISTER FOR PUBLIC SECTOR MANAGEMENT

REPORT FOR THE YEAR ENDING 30 JUNE 2002

In accordance with section 62 of the *Financial Administration and Audit Act 1985*, I submit for your information and presentation to Parliament, the Annual Report of the Office of the Public Sector Standards Commissioner for the year ending 30 June 2002.

This report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.

A handwritten signature in black ink, reading 'Maxine Murray'.

MAXINE MURRAY
COMMISSIONER FOR
PUBLIC SECTOR STANDARDS

30 August 2002

*Published by the Commissioner for
Public Sector Standards*



MISSION

“Through monitoring compliance, reporting and assisting public sector bodies, enable the Commissioner to meet Parliament’s need for independent and impartial opinion about merit, equity and probity in the Western Australian public sector”.

The Commissioner for Public Sector Standards is an independent statutory officer appointed by the Governor on the recommendation of the Minister following consultation with the leader of each party in the Parliament.

The Commissioner is responsible for monitoring compliance with principles of conduct (the Principles), public sector standards in human resource management (the Standards), the Code of Ethics and codes of conduct (ethical codes) throughout the Western Australian public sector.

The Office of the Public Sector Standards Commissioner (the Office) is established to assist the Commissioner to carry out his/her functions. As its chief executive officer, the Commissioner is responsible to the Minister for Public Sector Management for meeting the requirements of the *Financial Administration and Audit Act*.

In addition, the Director of Equal Opportunity in Public Employment and her staff form part of the Office of the Commissioner. The Director is appointed by the Governor, to perform the functions outlined in Part IX of the *Equal Opportunity Act 1984*, reports to the Minister for Public Sector Management.

Both the Commissioner’s functions and the Office commenced operation with the proclamation of the *Public Sector Management Act 1994* (the Act) on 1 October 1994.

Through extensive consultation and responding to requests, the Office assists public sector bodies and individuals to comply with the principles, standards and ethical codes.



HIGHLIGHTS 2001 / 2002

In 2001/2002 the Office:

- ❑ Implemented the revised Public Sector Standards in Human Resource Management that were comprehensively reviewed during 2000/2001.
- ❑ Implemented the Public Sector Management (*Examination and Review Procedures*) Regulations 2001. These Regulations superseded previous Regulations entitled Public Sector Management (*Review Procedures*) Regulations 1995.
- ❑ Conducted 130 examinations into alleged breaches of the Standards. Co-ordinated reviewers who completed 10 reviews of alleged breaches which still had substance after the examination phase was completed.

As a consequence of the introduction of the new Regulations, there has been a considerable reduction in the number of breach of Standard claims that have been submitted to this Office for review

- ❑ Managed 144 complaints from public sector employees and members of the public alleging non-compliance with the Act and ethical codes.
- ❑ Completed a State-wide awareness program about the revised Standards and new breach Regulations. The program was primarily designed to assist human resource management practitioners with the interpretation and application of the Standards and Regulations.
- ❑ Completed a comprehensive review of the Western Australian Public Sector Code of Ethics (the Code). The new Code, which was effective from 1 March 2002, retained the three ethical principles under which behavioural statements are included. Changes to the language and organisation were aimed at making the Code concise and more easily understood.

Ethical leadership was raised as an important issue throughout the review. The Commissioner suggested to the Minister for Public Sector Management that consideration be given to ethical leadership being incorporated into performance agreements for CEOs.

Presentations were held to assist those officers responsible for the implementation of the Code in their organisations with the application and interpretation of the Code.

- ❑ Continued to provide assistance to public sector bodies to develop and/or review their codes of conduct. A document entitled *Revitalising Codes of Conduct* was prepared and distributed to all employing authorities. In addition, a video about the Code of Ethics, codes of conduct and their implementation was prepared and has been made available to agencies in the regional centres.
- ❑ Continued to encourage and assist government boards and committees to develop their own codes of conduct or adopt the Office's template code.
- ❑ Provided input into the drafting of the *Public Interest Disclosures Bill 2002*.



- ❑ In January 2002 the Premier launched a major initiative from the Director of Equal Opportunity in Public Employment (EOPE), the *Equity and Diversity Plan for the Public Sector Workforce 2001-2005* (EDP). This Plan demonstrates a commitment to equity and diversity in public employment for women, Indigenous Australians, people with a disability, people from culturally diverse backgrounds and youth. The EDP sets long-term performance objectives for the public sector as a whole, as well as interim goals, and requires agencies to contribute by reporting on their own agency objectives to the Director of EOPE. The EDP replaces and extends upon two previous plans: the *Women In Management Strategy* and the *Diversity Improvement Plan 1999-2005*.
- ❑ The Office of Equal Employment Opportunity once again received one hundred per cent compliance from public authorities in providing their annual EEO demographic data. Yearly reporting for 2001 included, for the first time, gender analysis for all EEO groups and age analysis. The data enables effective monitoring, reporting and benchmarking of the progress of equity principles in the public sector, local government and the public universities.
- ❑ The Office of EEO released two new publications: *Insights – Strategies for Success*: a collection of perspectives on work in the Western Australian public sector from Indigenous and non-Indigenous people, and *Innovative Recruitment*: a guide for managers wanting to adopt more innovative recruitment and selection processes (published jointly with the CEO Diversity Forum). Both these publications are proving to be useful resources for improving the diversity of the public sector.
- ❑ The Director of EOPE and her staff delivered six presentations providing analysis of EEO demographic data and the results of employee surveys to the chief executive officers and executive staff. Additionally, thirteen information sessions were provided for senior staff in organisations in the public sector, local government and universities.
- ❑ The Office of EEO completed in-depth Review Reports, including a comprehensive employee survey, on the Western Australia Police Service and Edith Cowan University. A senior staff member was also able to provide detailed consultancy services to the Police Service about the implementation of the Report's recommendations.

COMMISSIONER'S STATEMENT



Maxine Murray, Commissioner

Introduction

On 22 May 2002 Mr Don Saunders completed his five year term as Commissioner for Public Sector Standards. This report is, in effect, a report of the activities undertaken during the final year of his term in the Office. During the past twelve months the former Commissioner oversaw the implementation of new regulations for examination and review of breach of Standards claims. He also undertook a comprehensive review of the Public Sector Code of Ethics. The revised Code was launched on 1 March 2002. Mr Saunders achieved his aim of making the Code more concise and less repetitive. A wide range of public sector employees, union representatives and chief executive officers commented on the substance and format of the old Code and provided insight into its effectiveness. Their contributions were extremely valuable.

The Office developed a comprehensive awareness program about the revised Code of Ethics. This included a publication entitled *Revitalising Codes of Conduct* and an update of the Office's website to provide more focused assistance to agencies in developing and implementing their codes of conduct. During the course of the year the former Commissioner highlighted to chief executive officers the need to review existing policies and guidelines on the use of e-mail, the internet and e-commerce facilities. He also highlighted to chief executive officers the need for constant vigilance to avoid conflicts of interest.



The Office of the Public Sector Standards Commissioner undertakes a range of functions. Three of the principle functions relating to human resource management and ethical codes are as follows:

1. To establish public sector standards in human resource management and the Code of Ethics, and to assist public sector bodies to develop codes of conduct.
2. To advise public sector bodies and employees on compliance with the principles set out in ss 8 (1) (a-c) and 9 of the Act, the Standards and ethical codes.
3. To monitor compliance and report to Ministers and Parliament.

The Commissioner is also responsible for nominating suitable persons for appointment to chief executive officer positions.

Another function is to recommend regulations for the establishment of procedures for breach of Standards claims and to monitor the implementation of these regulations. In addition to these functions under the *Public Sector Management Act 1994*, the Director of Equal Opportunity in Public Employment and her Office are collocated with the Office of the Commissioner for Public Sector Standards. This ensures the Office has wide coverage in the areas of merit, equity, diversity, probity and integrity.

My appointment as Commissioner began on 23 May 2002. In June a strategic planning process was commenced. The aim of this process was to review and reflect on the functions of the Commissioner for Public Sector Standards and to assess our vision and the scope of our goals. Early feedback from agency senior management indicated a desire that the Office of the Commissioner provide an on-going leadership role in terms of ethics in public sector management. There was also a desire to see a more focused assistance and consultancy role provided by the Office.

Our focus in the coming year will be to expand our role in assisting agencies while at the same time providing the broader view of compliance required by Parliament. Given the publicity surrounding recent corporate collapses, we anticipate an increased interest and focus on corporate governance and public sector ethics. We will be exploring ways to report on sector-wide compliance with ethical codes and providing measures which will allow year-to-year comparisons. It is acknowledged that such measures may be difficult to develop but it is important if we are to build public confidence in the probity and integrity of government.

We are planning changes to the way we offer assistance to agencies. There will be an increased focus on providing a customized assistance service to agencies that meets their unique operational needs while still ensuring compliance with human resource standards and ethical codes. The emphasis on measurement and monitoring will result in sector-wide thematic audits of compliance with human resource standards and ethical codes.

We will develop a new organizational structure to support this change in focus.

I thank all staff in the Office for the professional and dedicated support provided to Mr Saunders and myself during the past year.

DIRECTOR OF EQUAL OPPORTUNITY IN PUBLIC EMPLOYMENT



Mary White, Acting Director

The Director of Equal Opportunity in Public Employment is appointed under Part IX of the *Equal Opportunity Act 1984*. The objects of this part of the Act are:

- ❑ to eliminate and ensure the absence of discrimination in employment in public authorities on all the grounds covered by the Act;
- ❑ to promote equal employment opportunity for all persons in public authorities

Public authorities include all public sector bodies (including the utilities), public universities and local government authorities. As at 30 December 2001 there were 305 public authorities in Western Australia with approximately 136,777 employees.

Director's Overview

In 2001/2002 the Director of Equal Opportunity in Public Employment continued to focus on the promotion of the organisational benefits of a diverse workforce by emphasising the links to business fundamentals, as well as the need for the profile of the public sector to reflect that of the community.

A co-regulation approach is taken to achieving equity and diversity in public sector authorities. Based on education, trust and persuasion, the Director and Office work to provide public sector managers with the capability to make the changes necessary for achieving EEO and diversity in their individual organisations.

The announcement by the Premier, in January 2002, of the *Equity and Diversity Plan for the Public Sector Workforce 2002-2005* (EDP) was a significant achievement for the Office. This Plan extends upon, and replaces two previous public sector plans initiated by the Office: the *Women In Management Strategy* and the *Diversity Improvement Plan 1999-2005*. The EDP sets long-term performance objectives for the whole public sector, as well as interim goals, and most importantly requires agencies to contribute by reporting on their own agency objectives to the Director.



Under Part IX of the *Equal Opportunity Act 1984* the Director has responsibility for obtaining equal employment opportunity management plans and providing yearly reports on demographic profiles from public authorities. The yearly reports enable the Director to monitor trends in public sector demographics that are reported to Parliament in her Annual Reports. In recent years the Director has also provided a yearly feedback report to individual agencies with more than one hundred employees, benchmarking their equity and diversity measures against the public sector. In future the yearly feedback reports to agencies will also include a report of progress against their own internal objectives according to the EDP.

Development of effective measures of achievement, rather than a focus on process, has enabled progress across the public sector to be monitored while maintaining flexibility in how each public authority may approach the process of implementation. The Director also produces matrices, for women and each of the diversity groups, that benchmark agencies by showing their position on a graph illustrating the representation and distribution of the group in each agency. These matrices have proved very effective in allowing agencies to compare their performance with that of similar agencies.

On 23 May 2002 Ms Maxine Murray, who had held the position of Director of Equal Opportunity in Public Employment for seven years, was appointed to the position of Commissioner for Public Sector Standards. Ms Mary White was appointed Acting Director from May to July 2002. On 1 July 2002 Ms Jody Broun commenced secondment as the Acting Director of Equal Opportunity in Public Employment.

Functions of the Director

The principal functions of the Director are:

- ❑ To advise and assist authorities to develop management plans and evaluate their effectiveness in achieving the objects of Part IX of the Act.
- ❑ To make reports and recommendations to the Minister on the operation of management plans and other matters relating to the objects of Part IX as the Director thinks appropriate.
- ❑ To present the Minister with an annual report on activities for the year ending 30 June.

Responsibilities of Public Authorities

The Act requires public authorities to prepare and implement an equal opportunity management plan to achieve the objects of the Act, to forward a copy of the plan to the Director, and to report to the Director each year on the implementation of equal employment opportunity in their authority. The chief executive officer is responsible for meeting these obligations.

The Office of Equal Employment Opportunity (OEEO)

The Office of Equal Employment Opportunity (Office of EEO) was established to assist the Director. In 2001/2002 the Office continued to support public authorities through consultancy, advisory services and information about comparative performance. This approach is reflected in the Office's Outcome Statement:

A more diverse workforce that better matches the community at all levels of public employment and that promotes equal opportunity in a work environment that is inclusive and free from discrimination.

The Office continued with a portfolio approach to managing the diverse needs of public authorities. This approach results in clients generally having one point of contact with the Office for all their needs and therefore improving the access to, and customisation of, services available to them.

The main activities of the Office are to:

- ❑ Coordinate sector-wide strategies and initiatives such as the *Equity and Diversity Plan*;
- ❑ Operate a data collection and evaluation program to enable government and public authorities to monitor and improve progress in EEO and diversity;
- ❑ Provide a consultancy service, including training and publications, to assist public authorities to focus on self-assessment and develop their capacity to plan and implement EEO and diversity strategies suited to their business needs.

Recent Public Sector Trends (based on June 2001 data)

- ❑ Representation of women - increasing (now 60% of people and 55.5% of FTEs).
- ❑ Equity Index for women - increase to 53 in 2001 from 50 in 2000.
- ❑ Women in the SES - increase to 20.3% in 2001, from 19.1% in 2000 and 16.9% in 1999 (WA still has the second-lowest representation of women in the SES of all Australian States and Territories but the gap has now narrowed).
- ❑ Women in Management - increases in Tier 2 management (similar to SES data) but there has not been a similar improvement in Tier 3 (this is an area of concern as these positions provide the feeder pool for the SES and Tier 2).
- ❑ Indigenous Australians - increase in representation but primarily employed at the lower levels.
- ❑ People with disabilities - increase in representation and employment across all levels.
- ❑ People from culturally diverse backgrounds - no recent change in representation but employment is across all levels.



ORGANISATION PROFILE

Vision

A respected and responsible public sector.

Mission

Through monitoring compliance, reporting and assisting public sector bodies, enable the Commissioner to meet Parliament's need for independent and impartial opinion about merit, equity and probity in the Western Australian public sector.

Customers and Stakeholders

Customers of the Office comprise members of the public, all public sector employees, authorities and bodies, Members of the Parliament of Western Australia, ministers, chief executive officers or chief employees and human resource managers.

Outcome

An informed Parliament and public sector concerning the status of merit, equity and probity.

Outputs

The Office relies upon the co-operation and commitment of other public sector bodies and employees. The Office endeavours to consult widely in the community and the public sector in performing the Commissioner's functions. It co-operates with public sector bodies in monitoring and evaluating the effectiveness of the Standards and ethical codes.

The Office operates under four main functional groupings:

- ☐ Compliance Monitoring and Assistance
- ☐ Equal Employment Opportunity
- ☐ Chief Executive Officer Selection
- ☐ Corporate Services

The statutory office of the Director of Equal Opportunity in Public Employment, established under the *Equal Opportunity Act 1984* (EO Act), is collocated with the Office. The Director's activities are incorporated into the structure and financial accounting for the Office.

The Office has three outputs:

- Output 1:** Evaluating and modifying human resource management standards and ethical codes, assisting public sector bodies to comply, monitoring of compliance and reporting compliance to Parliament and Ministers.
- Output 2:** Assessment of public authority compliance with Part IX of the *Equal Opportunity Act* to achieve a more diverse workforce within all public authorities.
- Output 3:** Provide independent advice to the Minister about persons suitable for vacant chief executive officer positions and on reappointment of chief executive officers.



Legislation

The Office is established by His Excellency the Governor under s.35 of the *Public Sector Management Act 1994* (the Act).

The Director of Equal Opportunity in Public Employment was established under Part IX of the *Equal Opportunity Act 1984*.

The Commissioner

Ms Maxine Murray was appointed Commissioner for Public Sector Standards on 23 May 2002 for a five year term.

The Commissioner is required to act independently and reports directly to Parliament. She may also submit reports to ministers responsible for public sector agencies.

The Commissioner is deemed to be the Chief Executive Officer of the Office, a department established under s.35 of the Act, and as such, is required to report annually to the Minister for Public Sector Management under the *Financial Administration and Audit Act 1985*.

The functions of the Commissioner include:

- ☐ Establishing the Standards.
- ☐ Establishing the Code of Ethics.
- ☐ Assisting public sector bodies to develop codes of conduct.
- ☐ Assisting public sector bodies to comply with the Standards and codes.
- ☐ Monitoring public sector bodies' compliance with the principles set out in ss 8 (1) (a) – (c) and 9 of the Act, the Standards and ethical codes.
- ☐ Monitoring procedures for relief from breaches of Standards.
- ☐ Reporting to Parliament and ministers on the compliance or non-compliance by public sector bodies with the Principles, the Standards and ethical codes.
- ☐ Nominating persons suitable for appointment as chief executive officer.
- ☐ Advising the Minister for Public Sector Management (Minister) on chief executive officer reappointments or removals from office.

The Director of Equal Opportunity in Public Employment

The Director of Equal Opportunity in Public Employment is appointed under Part IX of the *Equal Opportunity Act 1984*. The objects of this part of the Act are:

- ☐ To eliminate and ensure the absence of discrimination in employment in public authorities on all the grounds covered by the Act.
- ☐ To promote equal employment opportunity for all persons in public authorities.

Public authorities include all public sector bodies (including the utilities), public universities and local government authorities. As at 30 December 2001 there were 305 public authorities in Western Australia with approximately 136,777 employees.

REPORT ON OPERATIONS

OUTPUT 1:

COMPLIANCE MONITORING AND ASSISTANCE

Total Cost of Services: \$1,650,654

Staff: 14 FTE

OUTPUT DESCRIPTION:

Evaluating and modifying human resource management and ethical standards, assisting public sector bodies to comply, monitoring compliance and reporting compliance, to Parliament and Ministers.

Focus of Activity

During 2001/2002 the compliance, monitoring and reporting responsibilities of the Office were undertaken through a variety of functions as specified under the *Public Sector Management Act 1994* and associated regulations. Breach of Standards examinations and reviews and investigations of allegations of non-compliance have been a particular focus of the Office.

The Office continued to provide advice and assistance to public sector agencies, particularly in relation to the revised Public Sector Standards in Human Resource Management and the Public Sector Management (*Examination and Review Procedures*) Regulations 2001. Assistance was also provided in relation to the Western Australian Public Sector Code of Ethics, in supporting agencies to review their codes of conduct and in encouraging government boards and committees to develop codes.

While the majority of the resources in 2001/2002 focused on managing the investigation and examination processes relating to complaints or allegations of breach, the assistance and support role of the Office is increasing. In 2002/2003 a review of the functions will result in a re-allocation of the resources to enhance the capacity of the Office to support agencies to evaluate and improve their practices in accordance with established principles and standards of merit, equity, diversity, probity and integrity.

Ethical Codes

During the year, the Office:

- ☐ Completed a comprehensive review of the Western Australian Public Sector Code of Ethics (the Code). The Commissioner took the view that it was timely to review the Code given that it came into existence in 1996.
- ☐ Invited comment from all public sector employees, unions and employee associations on the substance and format of the Code, and its effectiveness. In recognition that ethics is very much about leadership, comment was particularly invited from chief executive officers.

The review highlighted that the Code was basically sound but needed to be streamlined and written in a more direct style. The revised Code is expressed more concisely and areas previously regarded as repetitious or ambiguous were amended.



Ethical leadership was raised as an important issue throughout the review. As a consequence, the Commissioner suggested to the Minister for Public Sector Management that consideration be given to ethical leadership being incorporated into performance agreements for chief executive officers

The revised Code was implemented on 1 March 2002.

- ❑ Developed and implemented an awareness program about the revised Code of Ethics. This program was specifically developed for those responsible for the implementation of the Code in their organisations.
- ❑ Developed and issued a document entitled *Revitalising Codes of Conduct*. This guide is designed to assist those delegated the responsibility of revising an agency's code of conduct with information and material to assist them to better understand the ethical issues confronting their organisation, the ethical values of the agency and whether or not they are observed, the standard of conduct the organisation expects and how to formulate expectations clearly. This document was issued along with advice to all public sector bodies about a range of resources that exist on the Office's website to assist them in the development and maintenance of ethical policy and associated awareness programs.
- ❑ Continued to work with government boards and committees about developing their codes of conduct. The Template Code of Conduct previously developed by the Office, continues to be a primary source of information to assist government boards and committees to develop their codes.

While it is not mandatory for boards and committees to have a code of conduct, the majority of them have chosen to adopt the template, or to begin the development of their own code.

- ❑ Informed all chief executive officers about the need to review existing policies and guidelines on the appropriate use of e-mail, internet use and e-commerce facilities. This was to avoid the repeat of several publicised incidents about the misuse of computing and communication facilities by public sector employees.
- ❑ Informed all chief executive officers of the need for vigilance to avoid conflicts of interest.

The Code of Ethics requires public sector employees to avoid making commitments that could bias their judgment or compromise the performance of their public duties. Accepting gifts, prizes, hospitality or other inducements other than items of negligible value, is likely to be inappropriate. Chief executive officers were reminded that employees should not be making the determination as to whether they have a conflict of interest. Rather, it is the employee's role to disclose interests that could reasonably create a perception of bias or an actual conflict of interest. It then becomes the role of the chief executive officer to determine whether that employee has a perceived or actual conflict of interest.

Chief executive officers were encouraged to include in their codes of conduct, policies about the declaration of interests, and for these to be regularly drawn to the attention of all employees.

Assistance

During 2001/2002, assistance in relation to the interpretation and application of the relevant sections of the *Public Sector Management Act 1994* was provided to public sector bodies, employees, members of government boards and committees and members of the general public.

In 2001/2002 the Office:

- ❑ Handled in excess of 1800 enquires from agencies and individuals.
- ❑ Implemented a programme of agency assistance visits aimed at human resource staff. The purpose of these visits was to assist agencies to better understand and interpret the Standards and the Code of Ethics and to discuss policy and operational issues of mutual interest. Twelve visits were undertaken.
- ❑ Delivered 47 presentations and workshops to a wide range of agencies over the course of the year.

Public Sector Standards in Human Resource Management

During the year, the Office:

- ❑ Implemented the revised Standards following the comprehensive review of them during 2000/2001. The revised Standards redressed the balance between process and outcome, and better articulated the principles of merit, equity and probity.
- ❑ Implemented the new Public Sector Management (*Examination and Review Procedures*) Regulations 2001. This followed a comprehensive review of the Public Sector Management (*Review Procedures*) Regulations 1995. The new Regulations place more emphasis on the provision of relief by the public sector body concerned, where there is substance to the breach claim.

The introduction of the new Regulations reduced the number of breach of Standard claims that required review by this Office

- ❑ Completed a State-wide awareness program about the revised Standards and new Regulations. This program was specifically developed with human resource management practitioners, and informed them about the interpretation and application of the Standards and Regulations
- ❑ Developed and placed on its website, comprehensive question and answer information packages to assist in the implementation of the revised Standards and the new Regulations. These are designed to assist human resource management practitioners and employees to better understand their rights and responsibilities in relation to the Standards and Regulations.
- ❑ Informed all chief executive officers about the need for the provision of appropriate feedback to unsuccessful applicants for advertised vacancies.

Breach of Standard claims often occurred because unsuccessful applicants could not obtain feedback, or it was unhelpful. Chief executive officers were reminded that genuine efforts to inform unsuccessful applicants about how they performed during the selection process and the steps taken to ensure their application was fairly assessed, would help prevent a significant proportion of breach claims against the Recruitment, Selection and Appointment Standard.

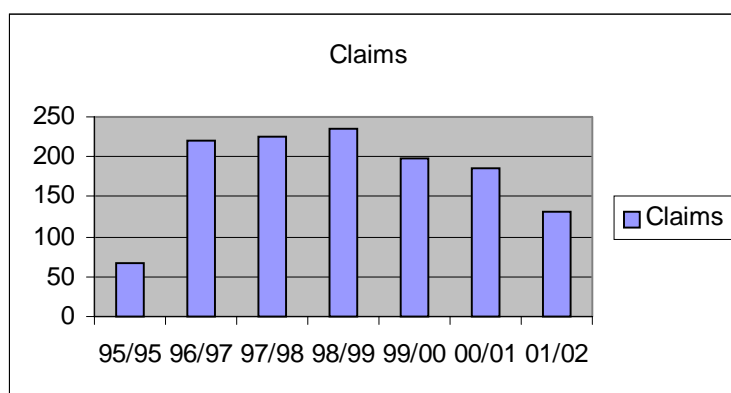


Breach of Standard Reviews

During 2001/2002, there were 130 breach of Standard claims.

As can be seen from the table below the number of breach claims examined or reviewed by the Office substantially reduced from previous years. This is as a consequence of the introduction of the Public Sector Management (*Examination Review Procedures*) Regulations 2001. The primary purpose of these Regulations is to encourage agencies to resolve alleged breach of Standard matters, before they proceed to the examination and review phase.

Of the 198 breach claims lodged throughout the sector, 68 were resolved at agency level. The remaining 130 claims were examined or reviewed by this Office. Most claims examined by this Office concerned the Recruitment, Selection and Appointment Standard.



Investigations

The provisions of the *Public Sector Management Act 1994* defining the functions of the Commissioner do not include any process for dealing with general complaints, apart from instances where there is a breach of Public Sector Standards in Human Resource Management. The Office has a role to monitor compliance by public sector bodies and employees to the general principles, ethical codes and Standards, but it does not have a role to advocate on behalf of any person or employee, or to resolve grievances. These activities remain the responsibility of employing authorities.

Allegations and information about non-compliance have been brought to the Commissioner's attention. Where the allegations or information did not fall within the Commissioner's jurisdiction, they were referred to other appropriate bodies. In 2001/2002 about 60% of the allegations of non-compliance were lodged by public sector employees and 35% were received from organisations and persons external to the public sector. The remaining 15% were instigated by this Office, based on anecdotal information received from a variety of sources about the activities of public sector bodies.

If a person lodged a complaint with the Office about the treatment they allegedly received from a public sector body or employee, the Office referred the person back to that body to have the matter resolved by the appropriate chief executive officer. This Office then sought a report on the action taken to investigate the matter. If the Commissioner had reason to believe that the employing authority had not appropriately fulfilled its responsibility, the Commissioner may have chosen to investigate the matter further.

During the year, the Office managed 144 allegations of non-compliance. This compares with 123 in the previous reporting year, and 148 during 1999/2000.

In total, 82 of the 144 cases managed were finalised. Of these, 71 resulted in further examination/inquiry, of which this Office conducted 69. In some cases, depending upon the level of seriousness, urgency or complexity, the Commissioner appointed an independent inquirer to assist in the inquiry. Of the 71 cases that were examined, two were investigated under Section 24 of the *Public Sector Management Act (1994)*.

Independent inquirers are selected from a panel of persons the Commissioner established through a tendering process. During the year, a request for proposal for a new panel of independent inquirers to be effective from 1 July 2002, was issued. As a consequence, a new panel of eight inquirers was appointed.

Reporting

Information obtained as a result of breach of Standard reviews, investigations and other information provided to this Office is used to assist the Commissioner to inform the Parliament about the status of merit, equity and probity in the public sector.

During the year, the Office:

- ☐ Submitted the sixth Annual Compliance Report to Parliament.
- ☐ Submitted reports to Ministers and/or to Parliament on the outcome of specific inquiries into a number of public sector bodies.
- ☐ Advised chief executive officers of their reporting responsibilities under s.31(1) and (2) of the Act.

Performance Measures for Output 1

| Performance Measure | 2001/2002 Target | 2001/2002 Actual |
|---|---------------------|---------------------|
| Quality | | |
| The indicator of quality previously used has been discontinued as it was an unreliable measure of performance. A new indicator will be developed for 2002/2003. | - | - |
| Quantity | | |
| Total complaints, examinations, reviews, inquiries and presentations. | 2,700 | 2154 |
| Timeliness | | |
| Complaints completed within target time frame. | 90% | 90% |
| Cost | | |
| Average cost per complaint, breach, review, inquiry and presentation. | \$675 | \$766 |



OUTPUT 2:

EQUAL EMPLOYMENT OPPORTUNITY (EEO) – ADVICE, ASSISTANCE AND EVALUATION

Total Cost of Service: \$891,677

Staff: 10 FTE

OUTPUT DESCRIPTION

Assessment of public authority compliance with Part IX of the *Equal Opportunity Act* to achieve a more diverse workforce within all public authorities. This is achieved through the provision of advice and assistance to public authorities, evaluation of the effectiveness of EEO management plans, receipt of annual EEO reports from public authorities and reports and recommendations to the Minister.

Summary of Activity

In 2001/2002 the Office continued to focus on providing advice and assistance on equity and diversity issues to public authorities. The introduction of the *Equity and Diversity Plan for the Public Sector Workforce 2001-2005* (EDP) in January 2002 was both the culmination of many months of planning and consultation with the Department of the Premier and Cabinet and the Strategic Employment Consultative Group, and the beginning of a targeted program from the Office to all public sector authorities.

The Office continued to evaluate the effectiveness of the implementation of EEO management plans by providing government and public authorities with information about progress in achieving EEO and diversity outcomes. Yearly demographic reports from agencies and regular EEO Climate Surveys provided an assessment of the diversity of the workforce at all levels of public employment and an indicator of how equitable and inclusive public workplaces are for staff from diverse backgrounds.

The Office continued to obtain revenue from training, sale of products and licensing of intellectual property. Revenue generated was used to help maintain and improve services to WA public authority clients.

In 2001/2002 the Office revisited and updated its Strategic Plan for 2002 and onwards. The new Strategic Plan, developed in consultation with all staff, more clearly reflects the current goals, mission, outcome and vision the Office holds for its work in the public sector. Detailed operational plans and the completion of individual performance management reviews also contributed to a clearer sense of purpose for the Office.

Achievement of a More Diverse Workforce within Public Authorities

The achievement of a workforce that better matches the community at all levels of public employment can be measured by EEO group representation (as a percentage) and distribution (the Equity Index – this will equal 100 if there is equitable distribution across all levels of the sector).

DIVERSITY IN PUBLIC AUTHORITIES

| Based on 2001 Data | Public Sector | | Local Government | | Public Universities | |
|---|------------------|-----------------|---------------------|------------------|----------------------------|-----------------------|
| | % | Equity Index | % | Equity Index* | % | Equity Index |
| Women Population Estimate = 50% | 61.0% | 53 | 43.5% | 76 | 45.1%(ACAD) 62.1% (HEW) | 52(ACAD) 71 (HEW) |
| Indigenous Australians Population Estimate = 3% | 2.1% | 29 | 2.1% | 29 | 2.1%(ACAD) 1.4% (HEW) | 41(ACAD) 36 (HEW) |
| People of Culturally Diverse Backgrounds Population Estimate = 17% | 4.3% | 120 | 5.8% | 81 | 15.7%(ACAD) 10.8% (HEW) | 94(ACAD) 97 (HEW) |
| People with Disabilities Population Estimate = 4% | 2.1% | 106 | 1.2% | 57 | 2.5%(ACAD) 2.9% (HEW) | 89(ACAD) 133 (HEW) |

Notes:

1. ACAD = Academics. HEW = Higher Education Workers
2. The Equity Index for Local Government is based on local government award salary ranges and does not take into account pay rises due to Enterprise and Workplace Agreements. This means the Equity Index may be an overestimate due to "bracket creep".

Provision of Advice and Assistance to Public Authorities

Under Part IX of the *Equal Opportunity Act* the primary role of the Director is to advise and assist public authorities in relation to their EEO management plans. The Office continues to recognise that employers are focusing on business fundamentals when implementing EEO and diversity in their workplaces, and promotes the benefits of a diverse workforce to meet customer needs and to better reflect the profile of the community.

Public authorities are provided with assistance to plan and implement effective strategies to achieve EEO and diversity outcomes through:

- ☐ Advisory and consultancy services.
- ☐ Development of training courses, publications and other resource material.
- ☐ Identification, brokerage, development and promotion of best practice initiatives
- ☐ Partnerships with universities and other researchers undertaking research on EEO.

The introduction of the *Equity and Diversity Plan for the Public Sector Workforce 2001-2005* (EDP) in January 2002 was the focus of much of the Office's activity in providing advice and assistance to the public sector. The intent of the EDP is to provide a strategy to meet the Government's long-term commitment, develop a proactive focus on the achievement of equity and diversity outcomes, and develop a public sector workforce that has the best people for the service delivery needs of each organisation.



To assist agencies in developing the performance objectives required by the EDP, the Office developed and produced a comprehensive resource package that was distributed to 90 agencies with more than fifty employees. The package included a format for reporting agency performance objectives, tools to assist in setting objectives, general strategies for implementing changes and contacts for ongoing assistance. A series of seminars, teleconferences and personal visits from Office staff ensured that every public sector agency received the resource package and was directly informed of the EDP and its implications for them. Agencies were required to report their own objectives to the Office by 30 May 2002 (although extensions were granted in a few cases for agencies affected by the *Machinery of Government* report) for sector-wide collation.

Evaluation of the Effectiveness of EEO Management Plans

The Director is also required, under Part IX of the *Equal Opportunity Act*, to evaluate the effectiveness of public authority management plans in achieving the objects of the Act (to eliminate discrimination and promote equal opportunity in public employment). As part of the process of implementing the *Equity and Diversity Plan* the Office reviewed the management plans of each public sector authority.

The key strategies used to evaluate the implementation of EEO Management Plans were:

- ❑ Assessment of changes to the demographic profile through analysis of data collected in EEO Annual Reports from public authorities and information on age provided by the Department of the Premier and Cabinet.
- ❑ Benchmarking against sector wide objectives and across each sector.
- ❑ Assessment of the climate in which people work through EEO Climate Surveys.
- ❑ Feedback of this information to senior executives through effectiveness review presentations that also include an analysis of issues specific to the particular authority.
- ❑ Monitoring and providing feedback on EEO Management Plans provided by the authority.

Discussions have been initiated with the chief executive officers and human resource managers of local government authorities on revitalizing their EEO management plan process.

The four public universities are also collaborating with the Office and their management plans have been reviewed.

As in previous years, the Office received EEO Annual Reports on demographic data from all public authorities as follows:

- ❑ 157 public sector agencies in August (data as at 30 June).
- ❑ 144 local government authorities in December (data as at 30 June).
- ❑ 4 public universities in June (data as at 31 March).

For the first time demographic data collected included information on age groups and gender analysis for each of the four target EEO groups.

The 100% response rate enabled the Office to calculate high-quality measures of equity. Written analysis of the data was provided to all public sector agencies with more than 100 employees (the *How Does Your Agency Compare* reports). Reports were also provided to government on whole of sector trends.

The Office continued to improve its data collection, analysis and equity measurement tools. In partnership with the Department of the Premier and Cabinet, work was undertaken to revise the MOIR data indicators for EEO in relation to individual employee records (MOIR is the commonly used term for the Minimum Obligatory Information Requirements in operation across the public sector). Work also continued this year with the Australian Bureau of Statistics on the implementation of the new Indicators of Cultural and Linguistic Diversity (CALD).

EEO Climate Surveys and Review Presentations

A further assessment of the effectiveness of strategies in EEO management plans is provided by the results of EEO Climate Surveys carried out by the Office. The survey asks employees a range of questions relating to human resource management, EEO and diversity (including questions about harassment). There was a lesser emphasis on conducting surveys in 2001/2002 due to the focus on the new *Equity and Diversity Plan*. However, three of the four public universities completed the survey for the first time, and the first survey of a local government authority was commenced. It is anticipated there will again be an emphasis on conducting surveys across the public sector in 2002/2003.

The results of the employee surveys are reported to chief executive officers and their executive staff in a review presentation from the Director or a senior manager. Analysis of the agency's demographic data is also provided, along with any agency-specific issues, feedback on EEO Management Plans and information on useful strategies to assist agencies achieve a better match between the diversity of the workforce and the WA community. In 2001/2002 six review presentations were carried out for agencies where EEO Climate Surveys were conducted. The Office also provided thirteen information sessions to senior staff within agencies. These included information on sector wide objectives and trends. Feedback from the participants showed a 85.4% satisfaction rate with the effectiveness reviews, which indicates the usefulness of this strategy in evaluating the implementation of management plans and assisting authorities in future EEO planning.

Development and Delivery of Training Courses

Although the Office continued to deliver and develop training courses to the public sector throughout the year, strategic planning identified this area as less of a priority due to the increasing number of external consultants able to offer training in equity and diversity. Training courses delivered included the customised version of the *Managing a Diverse Workforce* course (one course held was in the Pilbara region), and the *Tapping into Talent* diversity review guide course was delivered in Adelaide.

Following the success of the publication *Insights: Strategies for Success*, a training course was developed in consultation with Indigenous advisors and delivered twice with very positive feedback from participants. The Office is taking this concept further and, with the CEO Diversity Forum, is developing *Insights* into an 'on-line' training course. The 'on-line' course will be interactive and user-friendly and is expected to be available from March 2003.

Feedback showed 98% satisfaction with the course delivery.

Identification, Development and Promotion of Best Practice Initiatives

Two new publications were launched in 2001/2002 to inform and assist the public sector in best practice diversity initiatives. *Insights* and *Innovative Recruitment* have both received very positive praise from both the public sector and private organisations.

Insights: Strategies for Success - Indigenous and Non-Indigenous People on Work was launched in August 2001. *Insights* includes practical examples, strategies and tips for working with Indigenous people, and provides managers with the understanding necessary to create a workplace culture encouraging the recruitment, retention and career development of Indigenous employees. Uniquely, it also offers advice for Indigenous people wanting to win jobs and further their career in the public sector and tips for working with non-Aboriginal managers.

In January 2002 *Innovative Recruitment* was published jointly with the CEO Diversity Forum. It includes examples of best practice in innovative recruitment and tips to ensure that recruitment practices comply with the new Public Sector Standards. The publication was developed in consultation with key stakeholders.



As part of the *Equity and Diversity Plan* a resource package was developed to assist agencies in their workforce planning. The package included a tool which assists agencies to project workplace change, has been very well received and reports from agencies indicate it is widely accepted and used.

In 2001 the Fire and Emergency Services Authority (FESA) was the winner of the Premier's Award for Management Improvement with its Firefighter Recruitment and Selection 2000/2001 program. This program was developed by FESA with extensive consultation from the Office, and was used to successfully attract and recruit a more diverse group of people than had traditionally been achieved. The program is used by the Office as a case study of best practice in recruitment and selection for the wider public sector.

Research

The Director continues to partner with a researcher from the Queensland University of Technology using information from the EEO database. The project is examining the most recent data from the database on employment effects for agencies in which gender domination is the most significant employment feature. The career progression of males and females in female-dominated and male-dominated agencies is being examined to determine the trends in different career outcomes in these agencies.

The Office now has four years of data from the results of EEO Climate Surveys in the public sector. A researcher from the University of Western Australia, in a continuing research agreement with the Office, is working to analyse and recommend improvements to the questions in the survey and to analyse employee perceptions to determine the impact of EEO group status, employment status and organisational effects.

The Office also continues its involvement with an Australia-wide investigation of the role of women executives in the transformation and maintenance of managerial cultures (the WEXDEV project). Western Australian interviews have been completed and analysis will begin shortly. It is anticipated final findings will be available early in 2003.

CEO Diversity Forum, *The Key* and the Diversity Forum

The CEO Diversity Forum consists of a group of 32 CEOs from the WA public sector with a strong commitment to improving organisational performance through workforce diversity. In 2001/2002 the Director continued to work in partnership with the CEO Diversity forum to:

- ☐ Produce best practice publications, including *Innovative Recruitment*.
- ☐ Provide breakfast seminars for CEOs.
- ☐ Develop a strategy to assist in improving the position of women in the feeder group to the Senior Executive Service (SES).
- ☐ Sponsor the on-line training course based on the *Insights* publication.

The Director continued to publish information about EEO and diversity issues, examples of best practice in public authorities and important case law relevant to public authorities in *The Key*. *The Key* is a quarterly publication, produced by the Office of EEO, dealing with current issues in equity and diversity. From July 2001 *The Key* was no longer produced in a paper format. It is now created electronically and distributed across the State, free of charge via e-mail.

The quarterly Diversity Forum, hosted by the Office for people interested in EEO and diversity, also covers a wide range of EEO and diversity issues and continues to grow in popularity.

Equal Opportunity Tribunal Matters

Under the *Equal Opportunity Act 1984*, the Director may sometimes be a party to matters before the Tribunal or be involved in receiving reports from agencies as directed by the Tribunal. In 2001/2002 the Director was not involved in any matters related to Tribunal findings.

OEEO People, Systems and Resources

The Office continued to operate in 2001/2002 with a portfolio approach for public authority consultation. The structure has 10 FTEs and includes two consultancy teams each with a portfolio of agencies and a specialist area of expertise. A third team is responsible for providing executive and administrative support. Strategic and operational planning was completed in May 2002. The Machinery of Government Report raised issues of possible collocation with other agencies. These issues are being processed. Another issue in 2001/2002 was the shift for most staff from the Workplace Agreement industrial system to the revised Public Sector Award. In late May, as mentioned earlier, the Office experienced a change in leadership with the departure of the Director, Ms Maxine Murray. Ms Mary White was appointed Acting Director from 23 May until 1 July when Ms Jody Broun took over as Acting Director.

Significant progress was made on improvements to office systems, including the operational database, the demographic data collection and analysis process, and financial systems.

The Office continued to retain revenue from the sale of training and other products to public authorities and the licensing of intellectual property to other States. This assists the Office to extend the range and volume of services provided to public authorities.

Performance Measures for Output 2

| | 2001/02 Target | 2001/02 Actual |
|--|-------------------|--------------------|
| Quantity | | |
| Number of public authorities assisted and reported on | 298 | 305 |
| Quality | | |
| Satisfaction of training participants | 75% satisfied | 98% satisfied |
| Satisfaction of agency corporate executives with feedback provided in effectiveness review | 70% satisfied | 84.5% satisfied |
| Timeliness | | |
| Timeframes between receipt of yearly reports and distribution of analysis | 10 weeks | 10 weeks |
| Average timeframe between request for advice and assistance and response | 5 working days | 0.5 working days |
| Cost | | |
| Cost per public authority | \$3,134 | \$2,924 |



OUTPUT 3:

CHIEF EXECUTIVE OFFICER SELECTION

Total Cost of Service: \$432,869

Staff: FTE 3

OUTPUT DESCRIPTION

Provide independent advice to the Minister about persons suitable for vacant chief executive officer positions and on reappointment of CEOs.

Chief Executive Officer Selection

During 2001/2002 the Commissioner provided nominations of suitable persons for seven chief executive officer positions. Decisions had been announced for six of these positions at the year's end. The Minister also announced during the year his decision on one other position for which the Commissioner's advice was provided during the previous financial year. The Commissioner's nominations were accepted and the persons nominated were appointed for all positions except one.

The average time taken per position to provide the Commissioner's nomination was 14 weeks, an increase over the outcome for the previous financial year.

Executive search was used to supplement the field of applicants for 6 of the 7 positions for which advice was provided in 2001/2002.

The Commissioner was asked to provide a nomination of persons suitable for appointment to the Office of Rail Access Regulator in 2000/2001. This was a new regulatory position, established by the *Government Railways (Access) Act 1998*. Processing of this position was discontinued in July 2001 due to the new government's policy of appointing a single economic regulator.

Chief Executive Officer Reappointments

The Office provided advice to the Minister about the reappointment of one chief executive officer. When deciding whether or not to reappoint a chief executive officer, the Act requires that the individual's performance assessment be taken into account. A performance agreement was available for this officer. When reviewing each case, the Commissioner considers the available assessments of performance and other factors as provided in the Act.

| Performance Measures for Output 3 | 2001/2002 Target | 2001/2002 Actual |
|--|-----------------------------|-----------------------------|
| Quantity | | |
| Positions for which advice was provided to the Minister | 7 | 7 |
| Quality | | |
| The percentage of nominations accepted by Minister in the year | 100% | 86% |
| Timeliness (see note 1) | | |
| Average time to complete Commissioner's responsibilities | 10 | 14 |
| Cost (see note 2) | | |
| Average cost per Chief Executive Officer Selection | \$39,286 | \$61,857 |

Notes:

- (1) This increase was due primarily to a change in the process used to appoint consultants and the difficulty of accommodating the existing work commitments of selection panel members. The advertising and processing of two positions over the Christmas/New Year period also exacerbated the increase in time.
- (2) The large increase in average costs is due to the use of executive search for six of the seven positions processed and the allocation of the output's fixed costs over fewer positions.



CORPORATE SERVICES

Corporate Services Bureau Support

The Office operates with four corporate services staff. Some corporate service functions are provided by the Department of the Premier and Cabinet including:

- ☐ Financial – account payments, financial reporting, chart maintenance.
- ☐ Human resource management – salary payments, personnel records, leave processing.
- ☐ Other – asset management, purchasing and supply, fleet management, permanent connection to the Internet.

Budget Appropriations

The Office adopted a full accrual appropriations process this year.

Accommodation

The three-year lease on Office premises is due to expire on 4 September 2002, and cannot be renewed. Appropriate steps were taken to secure new premises prior to the deadline. However, this process has been delayed due to recommendations made in the Machinery of Government Report which suggested accountability agencies should collocate to better manage corporate services resources. With this new objective a temporary extension to the current lease was sought. An extension was granted to 4 January 2003 with a maximum extension possible until 31 March 2003 to allow sufficient time to evaluate and resolve the collocation issue.

Corporate Planning

The new Commissioner was eager to involve all staff in the strategic planning process. Two half-day workshops were organized and all staff participated and were encouraged to contribute ideas. The workshops discussed the strategic direction for the Office over the next five years. Some of the major outcomes of the workshops included:

- ☐ Using the ideas generated and agreed upon to enable a sub-committee to develop a mission, vision and strategic goals.
- ☐ A review of the current organisation structure.

Supply Function

During the reporting period, the Supply Business Management Plan and the Supply Procedures Plan were reviewed and updated particularly to incorporate the new GEM and SPIRIT purchasing requirements. The Office purchasing function was audited by the State Supply Commission (SSC) as part of their normal auditing program. The Office acted upon the SSC recommendations to tighten-up some purchasing procedures and make further amendments to the internal supply manual. In addition, the annual supply report was completed and returned to the State Supply Commission. During 2002/2003, all staff will be required to undertake an internal training course outlining correct purchasing procedures and how to use the GEM and SPIRIT websites.



Training

The corporate services team focused their training priorities on the records systems. Staff attended an advanced training course on the use of the retention and disposal aspects of TRIM Software. Staff from the corporate services area also conducted training sessions about records policy and practices for small groups of staff.

Records

The retention and disposal schedule for the Office was approved by the State Records Office during the year. This approval allowed work to commence on attaching approved retention triggers to all electronic files as a precursor to archiving or disposing of old and closed files. This presented a significant challenge for the corporate services staff as all 4,600 existing files had to be sighted, examined and electronically updated to ensure compliance. This task will be completed in 2002/2003.

The Office has commenced work on a records plan to comply with the State Records Principles and Standards 2002. It is anticipated that this project will be complete ahead of the March 2004 deadline.

A scanning project will also be commenced during the next year with a view to moving to an electronic records storage system. This will involve the purchase of a suitable scanner from the capital works program and software that is compatible with TRIM.

Staff Complement

In 2001/2002, the Office continued to operate below its approved full time staffing level. The average staffing level was 28 full time equivalents (FTE), three below the approved level.

Information Management

The 2000/2001 pilot project involving the upgrade of corporate service machines to Windows and Office 2000 proved to be highly successful. As a result all personal computers were upgraded this year. The project was completed by September 2001 and no major problems were reported.

In October a Request for Quotation for Technical LAN and Desktop Support was distributed and Stott and Hoare Business Computers was the successful applicant. A contract was put in place for a period of one year with a possibility of extension for another year.

Stott and Hoare recommended a few changes to our existing Network. One of the major changes was the upgrade of our NT Servers to Windows Server 2000. This project took months of testing to ensure users would receive minimum disruption. The completion of the project resulted in a more efficient and secure network.

There was a space issue on the SQL Server caused by our expanding databases. Stott and Hoare suggested upgrading this Server and migrating the databases. A new Server was purchased and the data transferred. The databases are now running significantly faster and have the capacity to handle future expansion. An added benefit was we were able to decrease the load on the exchange server by removing certain roles and placing it on the new server.

In 2002 the Office purchased a Xerox Docucolour 1250. This colour printer/photocopier was purchased to reduce printing costs as it allowed us to print letterheads, with compliments slips etc all in house. The standard of printing was so high that it allowed us to also produce publications that were later sold to other government departments.



Industrial Relations

Most staff withdrew from the Office Workplace Agreement and became party to the General Agreement 2002.

Occupational Health, Safety and Welfare, Workers' Compensation and Rehabilitation

Developments in the occupational health area are monitored to ensure that staff have a safe working environment and adopt safe working practices.

No workplace injury was recorded in 2001/2002.

Human Resource Management

Flexible working arrangements are being promoted through the office with opportunities for staff to negotiate their own working arrangements with their supervisors. Family friendly arrangements are accommodated wherever possible to allow staff to meet both their work and family commitments.



STATEMENT OF COMPLIANCE WITH WRITTEN LAWS

Enabling Legislation

The Office of the Commissioner for Public Sector Standards was established under the *Public Sector Management Act 1994*. Sections 21-25, 45, 48 and 97 of the Act outline the functions of the Commissioner.

Additionally, the Commissioner is deemed to be the Chief Executive Officer for the Office, a responsibility embracing all of the functions carried out by most public sector chief executive officers under s.29 of the Act. The Commissioner must submit an annual report under the *Financial Administration and Audit Act* (FAA Act) and Office expenditure is audited by the Auditor General.

The Governor is the employer of the Director of Equal Opportunity in Public Employment (Director). The Director is responsible for the objects in Part IX of the *Equal Opportunity Act 1984* (EO Act) and ensuring compliance by all public authorities with sections 145 and 146.

Legislation Affecting the Commissioner's Activities

In the performance of her functions as chief executive officer, the Commissioner has exercised controls that provide reasonable assurance that she has complied with the following relevant written laws:

- ☐ *Public Sector Management Act 1994*
- ☐ *Equal Opportunity Act 1984*
- ☐ *Financial Administration and Audit Act 1985*
- ☐ *State Supply Commission Act 1991*
- ☐ *Salaries and Allowances Act 1975*
- ☐ *Public and Bank Holidays Act 1972*
- ☐ *Australian Disability Services Act 1993*
- ☐ *Government Employees Superannuation Act 1987*
- ☐ *Occupational Health Safety and Welfare Act 1987*
- ☐ *Workers Compensation and Assistance Act 1981*
- ☐ *Industrial Relations Act 1979*
- ☐ *Library Board of Western Australia Act 1951*
- ☐ *State Records Act 2000*
- ☐ *Freedom of Information Act 1992*
- ☐ *Anti-Corruption Commission Act 1988*



COMPLIANCE REPORTING REQUIREMENTS

Public Sector Management Act and Ethical Codes

In the administration of the Office, the Commissioner complied with the Public Sector Standards in Human Resource Management, the Code of Ethics and the Office code of conduct.

Procedures designed to ensure such compliance are in place and appropriate internal checks were conducted to satisfy the Commissioner that the statement made above is correct.

Breach of Standard Applications for Review to 30 June 2002

| | |
|---------------------------|-----|
| Number lodged | nil |
| Breaches found | nil |
| Multiple breaches | nil |
| Applications under review | nil |
| Material breaches | nil |
| Non-Material breaches | nil |

Electoral Act 1907

The Office has not engaged any companies or organisations that require disclosure under s.175ZE of the *Electoral Act 1907*.

Disability Service Plan

A working party was formed to review and update the Disability Services Plan.

Disability Service Plan five key outcomes:

- ☐ Existing services are adapted to ensure they meet the needs of people with disabilities.

The services provided by the Office have been adapted to reduce barriers to people with disabilities through better access and the availability of information in various formats on request. Staff have been trained in emergency building evacuation procedures and are aware of the needs of people with disabilities in the event of an emergency. In the selection process for Level 1 officers, people with disabilities are always considered and liaison is often arranged through their advocates.

- ☐ Access to buildings and facilities is improved.

Self-opening doors were installed to improve access for people with disabilities. The Office has little control over alterations to the premises as they are privately owned. However, any concerns about facilities are raised with the property manager.

- ❑ Information about services is provided in formats which meet the communication requirements of people with disabilities.

The Office strives to publish all documents in plain English. Publications are available in various formats upon request. All the information is published on the Office website which provides for the information to be viewed and printed in alternate formats.

- ❑ Advice and services are delivered by staff who are aware of and understand the needs of people with disabilities.

In-house training sessions have raised staff awareness of their obligations in dealing with people with disabilities. Training in this area will be on-going to ensure staff have sufficient training to be able to assist any clients with disabilities.

- ❑ Opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision-making processes

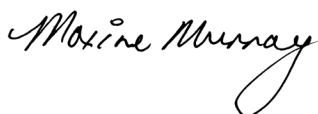
Members of staff with a disability have an equal opportunity to participate in consultations, decision making, grievance process and any other consultative process within the Office.

Equal Employment Opportunity Outcomes

The Office has continued to practice equal employment opportunity in the workplace and to develop staff awareness. A number of staff have taken up flexible working conditions, including part-time employment, job sharing, working from home and parental leave.

In 2002 a working party was set up to review and update all of the office policies, including the Equal Opportunity Management Plan. It is expected that the revised EEO Management Plan will be available in late 2002.

In May 2002 the Office employed a trainee under the 2002/2003 WA Public Sector Part-Time Clerical Traineeship Program. At the successful conclusion of this program the trainee will receive a nationally recognised Certificate II in Business (Office Administration) and will be entered on the Department of the Premier and Cabinet's recruitment database to be considered for future entry-level employment opportunities in the Western Australian public sector.



Maxine Murray
COMMISSIONER FOR PUBLIC SECTOR STANDARDS

30 August 2002





FINANCIAL STATEMENTS

CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements for the Office of the Public Sector Standards Commissioner have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2002 and the financial position as at 30 June 2002.

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

Handwritten signature of Maxine Murray in black ink.

MAXINE MURRAY
COMMISSIONER FOR
PUBLIC SECTOR STANDARDS

Handwritten signature of Glenn McAullay in black ink.

GLENN McAULLAY
PRINCIPAL ACCOUNTING OFFICER

15 August 2002



STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2002

| | Notes | 2001/2002 \$ | 2000/2001 \$ |
|---|-------|------------------|------------------|
| COST OF SERVICES | | | |
| Expenses from ordinary activities | | | |
| Employee expenses | 4 | 1,703,627 | 1,743,159 |
| Superannuation | | 168,280 | 124,394 |
| Other staffing costs | | 114,322 | 78,464 |
| Net loss on disposal of non-current assets | 5 | 13,988 | 15,282 |
| Travelling expenses | | 6,781 | 15,968 |
| Administration expenses | 6 | 643,947 | 694,740 |
| Accommodation expenses | 7 | 238,241 | 209,417 |
| Depreciation expense | 8 | 80,735 | 77,306 |
| Capital user charge | 9 | 5,279 | 0 |
| Total cost of services | | <u>2,975,200</u> | <u>2,958,730</u> |
| Revenues from ordinary activities | | | |
| User charges and fees | 10 | <u>172,567</u> | <u>245,268</u> |
| Total revenues from ordinary activities | | <u>172,567</u> | <u>245,268</u> |
| NET COST OF SERVICES | | <u>2,802,633</u> | <u>2,713,462</u> |
| REVENUES FROM GOVERNMENT | | | |
| Output appropriations (i) | 11 | 2,805,000 | 2,591,800 |
| Resources received free of charge | 12 | 103,944 | 79,103 |
| Liabilities assumed by the Treasurer | | 31,764 | 124,394 |
| Total revenues from Government | | <u>2,940,708</u> | <u>2,795,297</u> |
| TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS | | | |
| | | <u>138,075</u> | <u>81,835</u> |

(i) Appropriations included capital in 2000/2001

The Statement of Financial Performance should be read in conjunction with the accompanying notes.



STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2002

| | Notes | 2001/2002 \$ | 2000/2001 \$ |
|--------------------------------------|-------|-----------------|-----------------|
| Current Assets | | | |
| Cash assets | 13 | 225,263 | 257,451 |
| Restricted cash assets | 13 | 224,626 | 243,645 |
| Prepayments | 14 | 21,979 | 0 |
| Receivables | 15 | 95,237 | 65,928 |
| Amounts receivable for outputs | 16 | 85,000 | 0 |
| Total current assets | | <u>652,105</u> | <u>567,024</u> |
| Non-Current Assets | | | |
| Restricted cash assets | 13 | 55,476 | 42,224 |
| Furniture and fittings | 17 | 1,500 | 2,394 |
| Computer equipment | 17 | 63,600 | 71,849 |
| Office equipment | 17 | 90,551 | 83,195 |
| Office establishment | 17 | 17,867 | 21,250 |
| Total non-current assets | | <u>228,994</u> | <u>220,912</u> |
| TOTAL ASSETS | | <u>881,099</u> | <u>787,936</u> |
| Current Liabilities | | | |
| Payables | 18 | 37,625 | 65,442 |
| Other liabilities | 19 | 37,600 | 35,867 |
| Provisions | 20 | 209,064 | 381,735 |
| Amounts due to the Treasurer | 21 | 300,000 | 300,000 |
| Total current liabilities | | <u>584,289</u> | <u>783,044</u> |
| Non-Current Liabilities | | | |
| Provisions | 20 | 144,985 | 61,142 |
| Total non-current liabilities | | <u>144,985</u> | <u>61,142</u> |
| TOTAL LIABILITIES | | <u>729,274</u> | <u>844,186</u> |
| Equity | 22 | | |
| Contributed equity | | 70,000 | 0 |
| Accumulated deficiency | | 81,825 | (56,250) |
| Total equity | | <u>151,825</u> | <u>(56,250)</u> |
| TOTAL LIABILITIES AND EQUITY | | <u>881,099</u> | <u>787,936</u> |

The Statement of Financial Position should be read in conjunction with the accompanying notes.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2002

| | Notes | 2001/2002 \$ | 2000/2001 \$ |
|---|-------|--------------------|--------------------|
| CASH FLOWS FROM GOVERNMENT | | | |
| Output appropriations | | | |
| Recurrent appropriations | | 2,330,000 | 2,277,646 |
| Special Acts | | 390,000 | 224,154 |
| Capital contributions (2000/2001 appropriations) | | 70,000 | 90,000 |
| Net cash provided by government | | <u>2,790,000</u> | <u>2,591,800</u> |
| Utilised as follows: | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments | | | |
| Salaries | | (1,835,395) | (1,730,654) |
| Other staffing costs | | (77,632) | (77,342) |
| Superannuation | | (136,516) | 0 |
| Travelling expenses | | (6,781) | (15,968) |
| Administration expenses | | (539,026) | (611,291) |
| Accommodation expense | | (258,222) | (209,417) |
| Capital user charge | | (5,279) | 0 |
| GST payments on purchases | | (92,922) | (88,152) |
| Receipts | | | |
| User charges and fees | | 154,086 | 378,860 |
| GST receipts on sales | | 11,275 | 14,531 |
| GST receipts from taxation authority | 23 | 68,458 | 68,232 |
| Net cash used in operating activities | 24 | <u>(2,717,954)</u> | <u>(2,271,201)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of non current physical assets | | (110,001) | (61,198) |
| Proceeds from sale of non current physical assets | | 0 | 0 |
| Net cash used investing activities | | <u>(110,001)</u> | <u>(61,198)</u> |
| Net increase/(decrease) in cash held | | (37,955) | 259,401 |
| Cash assets at the beginning of the financial year | | 543,320 | 283,919 |
| CASH ASSETS AT THE END OF THE FINANCIAL YEAR | 13 | <u>505,365</u> | <u>543,320</u> |

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



SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS AND REVENUE ESTIMATES AS AT 30 JUNE 2002

| | 2001/2002 Estimate \$ | 2001/2002 Actual \$ | Variance \$ | 2001/2002 Actual \$ | 2000/2001 Actual \$ | Variance \$ |
|--|-----------------------------|---------------------------|-----------------|---------------------------|---------------------------|------------------|
| PURCHASE OF OUTPUTS | | | | | | |
| Item 9 Net amount appropriated to purchase outputs | 2,545,000 | 2,415,000 | 130,000 | 2,415,000 | 2,277,646 | 137,354 |
| Section 25A transfer | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount authorised by other Statutes | | | | | | |
| - Salaries and Allowances Act 1975 | 232,000 | 390,000 | (158,000) | 390,000 | 224,154 | 165,846 |
| Total appropriations provided to purchase outputs | 2,777,000 | 2,805,000 | (28,000) | 2,805,000 | 2,501,800 | 303,200 |
| Details of Expenditure by Outputs | | | | | | |
| Compliance Monitoring and Assistance | 1,822,000 | 1,650,654 | 171,346 | 1,650,654 | 1,574,584 | 76,070 |
| Equal Employment Opportunity | 961,000 | 891,677 | 69,323 | 891,677 | 930,232 | (38,555) |
| Chief Executive Officer Selection | 275,000 | 432,869 | (157,869) | 432,869 | 453,914 | (21,045) |
| Total cost of output | 3,058,000 | 2,975,200 | 82,800 | 2,975,200 | 2,958,730 | 16,470 |
| Less: | | | | | | |
| Retained revenue | (36,000) | (172,567) | 136,567 | (172,567) | (245,268) | 72,701 |
| Net cost of outputs | 3,022,000 | 2,802,633 | 219,367 | 2,802,633 | 2,713,462 | 89,171 |
| Adjustment for movements in cash balances and other accrual items | (245,000) | 2,367 | (247,367) | 2,367 | (211,662) | 214,029 |
| Total appropriations provided to purchase outputs | 2,777,000 | 2,805,000 | (28,000) | 2,805,000 | 2,501,800 | 303,200 |
| CAPITAL | | | | | | |
| Item 123 Capital contribution (2001/2002 amount provided for capital services) | 70,000 | 70,000 | 0 | 70,000 | 90,000 | (20,000) |
| Capital Expenditure | | | | | | |
| Capital appropriations | 70,000 | 70,000 | 0 | 70,000 | 90,000 | (20,000) |
| Adjustment for movement in cash balances and other funding source | 0 | 19,552 | (19,552) | 19,552 | (7,253) | 26,805 |
| Total capital expenditure | 70,000 | 89,552 | (19,552) | 89,552 | 82,747 | 6,805 |
| GRAND TOTAL OF APPROPRIATION | 2,847,000 | 2,875,000 | (28,000) | 2,875,000 | 2,591,800 | 283,200 |
| DETAILS OF REVENUE ESTIMATES | | | | | | |
| Revenues disclosed as operating revenues | 36,000 | 98,955 | (62,955) | 98,955 | 245,268 | (146,313) |
| TOTAL REVENUE ESTIMATES | 36,000 | 98,955 | (62,955) | 98,955 | 245,268 | (146,313) |

The Summary of Consolidated Fund Appropriations, Variance to Actual and Budget should be read in conjunction with the accompanying notes.

This Summary provides the basis for the Explanatory Statement information requirements of TI 945. Refer note 26

OUTPUT SCHEDULE OF EXPENSES AND REVENUE

FOR THE YEAR ENDED 30 JUNE 2002

| | Compliance Monitoring and Assistance 2001/2002 \$ | Compliance Monitoring and Assistance 2000/2001 \$ | Equal Employment 2001/2002 \$ | Equal Employment 2000/2001 \$ | Chief Executive Officer Selection 2001/2002 \$ | Chief Executive Officer Selection 2000/2001 \$ | Total 2001/2002 \$ | Total 2000/2001 \$ |
|---|---|---|--|--|---|---|--------------------------|--------------------------|
| COST OF SERVICES | | | | | | | | |
| Expenses from ordinary activities | | | | | | | | |
| Employee expenses | 1,017,445 | 989,458 | 517,989 | 573,249 | 168,193 | 180,452 | 1,703,627 | 1,743,159 |
| Superannuation | 87,576 | 71,581 | 46,957 | 39,740 | 33,747 | 13,073 | 168,280 | 124,394 |
| Other staffing costs | 72,936 | 37,658 | 34,072 | 36,618 | 7,314 | 4,188 | 114,322 | 78,464 |
| Net loss on disposal of non current assets | 7,728 | 9,985 | 4,298 | 2,109 | 1,962 | 3,188 | 13,988 | 15,282 |
| Travelling expenses | 5,949 | 14,217 | 313 | 1,729 | 519 | 22 | 6,781 | 15,968 |
| Administration expenses | 265,134 | 272,411 | 190,530 | 194,139 | 188,283 | 228,190 | 643,947 | 694,740 |
| Accommodation expenses | 140,562 | 123,496 | 78,619 | 69,176 | 19,060 | 16,745 | 238,241 | 209,417 |
| Depreciation expenses | 50,209 | 55,778 | 17,157 | 13,472 | 13,369 | 8,056 | 80,735 | 77,306 |
| Capital user charge | 3,115 | 0 | 1,742 | 0 | 422 | 0 | 5,279 | 0 |
| Total cost of services | 1,650,654 | 1,574,584 | 891,677 | 930,232 | 432,869 | 453,914 | 2,975,200 | 2,958,730 |
| Revenues from ordinary activities | | | | | | | | |
| User charges and fees | 2,432 | 3,192 | 52,176 | 42,061 | 117,959 | 200,015 | 172,567 | 245,268 |
| Total revenues from ordinary activities | 2,432 | 3,192 | 52,176 | 42,061 | 117,959 | 200,015 | 172,567 | 245,268 |
| NET COST OF SERVICES | 1,648,222 | 1,571,392 | 839,501 | 888,171 | 314,910 | 253,899 | 2,802,633 | 2,713,462 |
| REVENUES FROM GOVERNMENT | | | | | | | | |
| Output appropriations | 1,665,909 | 1,565,059 | 860,336 | 791,676 | 278,755 | 235,065 | 2,805,000 | 2,591,800 |
| Resources received free of charge | 61,327 | 46,671 | 34,301 | 26,104 | 8,316 | 6,328 | 103,944 | 79,103 |
| Liabilities assumed by the Treasurer | 18,741 | 71,581 | 10,482 | 39,740 | 2,541 | 13,073 | 31,764 | 124,394 |
| Total Revenues from Government | 1,745,977 | 1,683,311 | 905,119 | 857,520 | 289,612 | 254,466 | 2,940,708 | 2,795,297 |
| CHANGE IN NET ASSETS RESULTING FROM OPERATIONS | 97,755 | 111,919 | 65,618 | -30,651 | -25,298 | 567 | 138,075 | 81,835 |

The Output Schedule of Expenses and Revenues should be read in conjunction with the accompanying notes.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

1 Office Mission and Funding

The mission of the Office of the Public Sector Standards Commissioner is, through monitoring compliance, reporting and assisting public sector bodies to enable the Commissioner to meet Parliament's need for independent and impartial opinion about merit, equity and probity in the WA public sector.

The Office is funded from Parliamentary Appropriations. A determination by the Treasurer, pursuant to Section 23A of the *Financial Administration and Audit Act*, provides for the retention of moneys received by the Office of the Public Sector Standards Commissioner.

2 Significant Accounting Policies

(a) General statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by Treasurer's Instructions to vary the application, disclosure, format and wording. The *Financial Administration and Audit Act* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards and UIG Consensus Views. The modifications are intended to fulfill the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, is disclosed in individual notes to these financial statements.

(b) Basis of accounting

The financial statements have been prepared in accordance with the Australian Accounting Standard AAS 29.

The statements have been prepared on the accrual basis of reporting under the historical cost convention.

(c) Output appropriations

Output appropriations are recognised as revenues in the period in which the Office gains control of the appropriated funds. The Office gains control of appropriated funds at the time those funds are deposited into the Office's bank account or credited to the holding account held at the Department of Treasury and Finance.

(d) Contributed equity

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position. All other transfers have been recognised in the Statement of Financial Performance. Prior to the current reporting period, capital appropriations were recognised as revenue in the Statement of Financial Performance. Capital appropriations which are repayable to the Treasurer are recognised as liabilities.

(e) Operating accounts

Amounts appropriated are deposited into the account and any revenues which are the subject of net appropriation determinations are also deposited into the account. All payments of the Office are made from the operating account.

(f) Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their future economic benefit. Depreciation has been charged on a straight line basis using rates which are reviewed annually. Useful lives for each class of depreciable asset are:

| | |
|------------------------|----------|
| Furniture and Fittings | 5 years |
| Computer Equipment | 3 years |
| Office Equipment | 5 years |
| Office Establishment | 10 years |

(g) Employee entitlements

Annual leave

This entitlement is recognised at current remuneration rates.

Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on-costs, experience of employee departures and periods of service. Expected future payments are discounted using interest rates to obtain the estimated future cash outflows.

Superannuation

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit and lump sum scheme now also closed to new members. Staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The superannuation expense comprises the following elements:

- (i) change in the unfunded employer's liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and
- (ii) employer contributions paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme.

The superannuation expense does not include payment of pensions to retirees as this does not constitute part of the cost of services provided by the Office in the current year.

A revenue "Liabilities assumed by the Treasurer", equivalent to (i) is recognised under Revenues from Government in the Statement of Financial Performance as the unfunded liability is assumed by the Treasurer. The GESB makes the benefit payments and is recouped by the Treasurer.



From 1 July 2001 employer contributions were paid to the GESB in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. Prior to 1 July 2001, the unfunded liability in respect of these Schemes was assumed by the Treasurer. An amount equivalent to the employer contributions which would have been paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme if the Office had made concurrent employer contributions to those Schemes, was included in superannuation expense. This amount was also included in the revenue item "Liabilities assumed by the Treasurer".

(h) Leases

The accommodation occupied by the Office is under a head lease between the lessor and the Commercial Property Branch of the Department of Housing and Works. Certain vehicles are leased for operational purposes. The lessors effectively retain all the risks and benefits incidental to ownership. Lease payments under these operating leases are recognised as expenses over the term of the leases.

(i) Payables, accrued salaries and amounts due to the Treasurer.

Accrued salaries suspense account 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 11th year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Office considers the carrying amount of accrued salaries to be equivalent to the net fair value.

Payables, including accruals not yet billed, are recognised when the Office becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days

The amount due to the Treasurer is a Treasurer's Advance, approval of which is renewed for each financial year. The amount is therefore repayable within a maximum period of one year. No interest is charged on this advance.

(j) Net fair values of financial assets and liabilities

As monetary financial assets and liabilities are not traded in an organised financial market the carrying amounts of debtors, payables, and accruals approximate the net fair value.

(k) Resources received free of charge

Resources received free of charge which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(l) Revenue Recognition

Revenue from the rendering of services is recognised when the Office has delivered the service to the customer.

(m) Net Appropriation Determination

Pursuant to section 23A of the *Financial Administration and Audit Act*, the Treasurer may make a determination providing for prescribed revenue to be retained by a department. Receipts in respect of all revenues recognised in the Statement of Financial Performance are the subject of a net appropriation determination by the Treasurer.

The net appropriation determination allows all prescribed revenues to be retained except for:

- revenues derived from the sale of real property; and
- one-off revenues with a value of \$10,000 or more derived from the sale of property other than real property

Prescribed revenues include moneys received other than from taxes, royalties and Commonwealth general purpose grants.

Retained revenues may only be applied to the outputs specified in the 2001-2002 Budget Statements.

(n) Comparative Figures

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

(o) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(p) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets.

(q) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

(r) Rounding

Amounts in the financial statements have been rounded to the nearest dollar.

3 Outputs of the Office

Output 1: Compliance Monitoring and Assistance

Description: These outputs involve the evaluation and modification of Standards, monitoring of compliance and reporting on compliance to Parliament. Specific activities for these outputs include: 1) Monitoring the compliance of public sector agencies through compliance audits, reviews and reports to Parliament. 2) Reviews and investigations of allegations of breaches of human resource standards and ethical codes. 3) Assisting agencies in the development of codes of conduct and assisting agencies and employees with information about compliance with the standards and ethical codes. 4) The evaluation and modification of Standards in Human Resource Management and the Western Australian Public Sector Code of Ethics.

Output 2: Equal Employment Opportunity – Advice, assistance and evaluation

Description: Assessment of public authority compliance with Part IX of the *Equal Opportunity Act 1984* in order to achieve a more diverse workforce within all public authorities. This is achieved through the provision of advice and assistance to public authorities, evaluation of the effectiveness of EEO Management Plans, receipt of annual EEO reports from public authorities and reports and recommendations to the Minister.

Output 3: Chief Executive Officer Selection

Description: This output incorporates appropriate processes to select suitable persons for chief executive officer positions in public sector bodies. The Commissioner provides advice to the Minister on persons suitable for appointment as chief executive officers. Advice is also provided to the Minister when it is proposed that a chief executive officer not be reappointed, or that a chief executive officer be removed.



| | 2001/2002 \$ | 2000/2001 \$ |
|---|------------------|------------------|
| 4 Employee expenses | | |
| Salaries and wages | 1,816,678 | 1,711,366 |
| Annual and long service leave expense | (113,051) | 31,793 |
| | <u>1,703,627</u> | <u>1,743,159</u> |
| 5 Net profit/(loss) on disposal of non-current assets | | |
| Net loss on disposal of | | |
| office equipment | 13,943 | 2,917 |
| computer hardware | 45 | 9,472 |
| furniture and fittings | 0 | 2,893 |
| | <u>13,988</u> | <u>15,282</u> |
| Gross proceeds on disposal of assets | 0 | 2,720 |
| 6 Administration expenses | | |
| Communication | 58,429 | 52,460 |
| Services and contract | 494,859 | 551,034 |
| Consumables | 90,659 | 91,246 |
| | <u>643,947</u> | <u>694,740</u> |
| 7 Accommodation expenses | | |
| Expenses incurred during the year | 238,241 | 209,417 |
| | <u>238,241</u> | <u>209,417</u> |
| 8 Depreciation expense | | |
| Computer equipment | 47,963 | 43,826 |
| Furniture and fittings | 894 | 804 |
| Office equipment | 28,495 | 26,860 |
| Office establishment | 3,383 | 5,816 |
| | <u>80,735</u> | <u>77,306</u> |
| 9 Capital user charge | 5,279 | 0 |
| A capital user charge rate of 8% has been set by the Government for 2001/2002 and represents the opportunity cost of capital invested in the net assets of the Office used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis. | | |
| 10 User charges and fees | | |
| Contributions by senior officers to the Executive Vehicle Scheme | 5,532 | 7,045 |
| Revenue from other services | 52,018 | 40,980 |
| Recoup from CEO selection costs | 115,017 | 197,243 |
| | <u>172,567</u> | <u>245,268</u> |
| 11 Revenues (to)/from Government | | |
| Output appropriations (i) | | |
| Recurrent appropriations | 2,415,000 | 2,277,646 |
| Special Act appropriations | 390,000 | 224,154 |
| Capital appropriations (ii) | 0 | 90,000 |
| | <u>2,805,000</u> | <u>2,591,800</u> |

(i) Output appropriations are accrual amounts as from 01 July 2001, reflecting the full price paid for outputs purchased by the Government. The appropriation revenue comprises a cash component and a receivable (asset). The receivable comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

2001/2002 2000/2001

- (ii) Capital appropriations were revenue in 2000/2001 (year ended 30 June 2001). From 01 July 2001, capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited straight to equity in the Statement of Financial Position.

12 Resources received free of charge

Have been determined on the basis of the following estimates provided by the agencies:

| | | |
|--|----------------|---------------|
| Office of the Auditor General | | |
| Audit services | 15,000 | 8,000 |
| Department of Housing and Works | | |
| Property management | 1,034 | 916 |
| Department of Justice -Crown Solicitors Office | | |
| Legal services | 1,470 | 10,358 |
| Department of the Premier and Cabinet | | |
| Human resources and payroll services | 40,310 | 37,300 |
| Financial management services including library services | 46,130 | 20,809 |
| Transport services | 0 | 1,720 |
| | <u>103,944</u> | <u>79,103</u> |

13 Cash and amounts in suspense

For the purpose of the Statement of Cash Flows, cash included cash at bank and amounts in suspense. 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:-

| | | |
|---|----------------|----------------|
| Restricted cash assets | | |
| Accrued salaries suspense account | 55,476 | 42,224 |
| Bank account - capital | 29,296 | 0 |
| Operating bank account - CEO selection | <u>195,330</u> | <u>243,645</u> |
| | 280,102 | 285,869 |
| Cash assets | | |
| Operating bank account at Treasury - controlled | <u>225,263</u> | <u>257,451</u> |
| | <u>505,365</u> | <u>543,320</u> |

Accrued salaries suspense account is represented by a cash balance and is therefore equivalent to the net fair value. The amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

The operating bank account - CEO selection is used to meet expenditure for carrying out the function of nominating persons suitable for appointment as Chief Executive Officers.



14 Prepayments

Amounts prepaid in respect of goods and services as at:-

30 June 2001

30 June 2002

2001/2002 2000/2001

0 0

21,979 0

15 Receivables

Represents

Net GST receivable

GST receivable

GST payable

CEO debtors

EEO debtors

19,547 13,491

(5,981) (3,918)

13,566 9,573

80,577 56,355

1,094 0

95,237 65,928

16 Amounts receivable for outputs

Current

Non-current

85,000 0

0 0

85,000 0

This asset represents the non-cash component of output appropriations.

It is restricted in that it can only be used for asset replacement or

payment of leave liability.

17 Property, plant, equipment

Furniture and fittings

At cost

Accumulated depreciation

18,952 18,952

(17,452) (16,558)

1,500 2,394

Office equipment

At cost

Accumulated depreciation

163,768 142,756

(73,217) (59,561)

90,551 83,195

Computer equipment

At cost

Accumulated depreciation

242,127 218,566

(178,527) (146,717)

63,600 71,849

Office establishment

At cost

Accumulated depreciation

26,772 26,772

(8,905) (5,522)

17,867 21,250

Total

At cost

Accumulated depreciation

451,619 407,046

(278,101) (228,358)

173,518 178,688

Reconciliation of non -current assets 2001/2002

| | Furniture and fittings | Computer equipment | Office equipment | Office establishment | Total |
|--|------------------------|--------------------|------------------|----------------------|---------|
| Carrying amount at the start of the year | 2,394 | 71,849 | 83,195 | 21,250 | 178,688 |
| Additions | 0 | 39,757 | 49,795 | 0 | 89,552 |
| Disposals | 0 | 43 | 13,944 | 0 | 13,987 |
| Revaluation increments | 0 | 0 | 0 | 0 | 0 |
| Depreciation | 894 | 47,963 | 28,495 | 3,383 | 80,735 |
| Carrying amount at the end of the year | 1,500 | 63,600 | 90,551 | 17,867 | 173,518 |

Reconciliation of non-current assets 2000/2001

| | Furniture and fittings | Computer equipment | Office equipment | Office establishment | Total |
|--|------------------------|--------------------|------------------|----------------------|---------|
| Carrying amount at the start of the year | 6,090 | 70,201 | 81,479 | 33,479 | 191,249 |
| Additions | 0 | 48,534 | 34,214 | 0 | 82,748 |
| Disposals | 2,892 | 3,060 | 5,638 | 6,413 | 18,003 |
| Revaluation increments | 0 | 0 | 0 | 0 | 0 |
| Depreciation | 804 | 43,826 | 26,860 | 5,816 | 77,306 |
| Carrying amount at the end of the year | 2,394 | 71,849 | 83,195 | 21,250 | 178,688 |

18 Payables

Amounts payable for goods and services received as at:-

| | | |
|--------------|--------|--------|
| 30 June 2001 | 0 | 65,442 |
| 30 June 2002 | 37,625 | 0 |

The carrying amount of accounts payable approximates their fair values.

19 Other liabilities

Accrued salaries owing for the working days between the end of the last pay period for the financial year and 30 June

| | | |
|-----------------------|--------|--------|
| 2001 - 6 working days | 0 | 35,867 |
| 2002 - 6 working days | 37,600 | 0 |

Accrued salaries are settled within a few days of the financial year end.

The carrying amount of accrued salaries is equivalent to the net fair value.

20 Provisions

Current liabilities

| | | |
|--------------------|----------------|----------------|
| Annual leave | 72,428 | 76,719 |
| Long service leave | 116,874 | 305,016 |
| Other (i) | 19,762 | 0 |
| | <u>209,064</u> | <u>381,735</u> |

Non-current liabilities

| | | |
|--------------------|----------------|---------------|
| Long service leave | 131,245 | 61,142 |
| Other (i) | 13,740 | 0 |
| | <u>144,985</u> | <u>61,142</u> |

- (i) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation and Riskcover premiums. The liability for such on-costs is included here.

Employee entitlements

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

Provision for employee entitlements:

| | | |
|-------------|----------------|----------------|
| Current | 209,064 | 381,735 |
| Non-current | 144,985 | 61,142 |
| | <u>354,049</u> | <u>442,877</u> |



| | 2001/2002 | 2000/2001 |
|--|-----------|-----------|
| 21 Amounts due to the Treasurer | | |
| Treasurer's advance | 300,000 | 300,000 |

22 Equity

In 2000/2001 liabilities exceed assets for the Office of the Public Sector Standards Commissioner and there is therefore no residual interest in the assets of the Office. The deficiency arose through expenses such as depreciation and accrual of employee entitlements for leave not involving the payment of cash in the current period being recognised in the Statement of Financial Performance.

Funding for the Office was until 2001/2002 mainly through appropriation on a cash basis. This situation reverses when appropriated cash is used to purchase assets or to pay out accrued liabilities.

In 2001/2002 equity represents the residual interest in the net assets of the Office of the Public Sector Standards Commissioner. The Government holds the equity interest in the Office on behalf of the community.

| | | |
|---------------------------|---------------|----------|
| Contributed equity | | |
| Opening balance | 0 | 0 |
| Capital contributions (i) | 70,000 | 0 |
| Closing balance | <u>70,000</u> | <u>0</u> |

- (i) From 01 July 2001, capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited straight to equity in the Statement of Financial Position.

| | | |
|--|---------------|-----------------|
| Accumulated deficit | | |
| Opening balance | (56,250) | (138,085) |
| Change in net assets resulting from operations | 138,075 | 81,835 |
| Closing balance | <u>81,825</u> | <u>(56,250)</u> |

23 GST receipts from taxation authority

Represents net proceeds from the Australian taxation authority

| | | |
|-----------------------|---------------|---------------|
| GST receipts from ATO | 84,729 | 78,845 |
| GST paid to ATO | (16,271) | (10,613) |
| | <u>68,458</u> | <u>68,232</u> |

24 Reconciliation of net cost of services to net cash flows in operating activities.

For the purpose of the Statement of Cash Flows, "Cash" has been deemed to include cash on hand and amounts in suspense.

| | | |
|----------------------|-------------|-------------|
| Net cost of services | (2,802,633) | (2,713,462) |
|----------------------|-------------|-------------|



| | 2001/2002 | 2000/2001 |
|--|--------------------|--------------------|
| Non cash items | | |
| Depreciation expenses | 80,735 | 77,306 |
| Superannuation expenses | 31,764 | 124,394 |
| Resources received free of charge | 103,944 | 79,103 |
| Trade-ins of non-current assets for consumables | 0 | 1,620 |
| (Profit)/Loss on sale of property, plant and equipment | 13,988 | 15,282 |
| CEO selection adjustment | 0 | 186,993 |
| (Increase) / Decrease in assets | | |
| Prepayments | (21,979) | 12,154 |
| Receivables | (25,317) | (56,355) |
| Increase / (Decrease) in liabilities | | |
| Payables | (7,367) | (22,197) |
| Accrued salaries | 1,733 | 97 |
| Provisions | (88,828) | 32,120 |
| Net GST receipts / (payments) | 0 | 0 |
| Change in GST in receivables / payables | (3,994) | (8,256) |
| Net cash used in operating activities | <u>(2,717,954)</u> | <u>(2,271,201)</u> |

25 Remuneration of senior officers

Remuneration

The number of senior officers, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands is:-

| | 2001/2002 | 2000/2001 |
|----------------|-----------|-----------|
| 30001- 40000 | 1 | 0 |
| 40001- 50000 | 1 | 1 |
| 50001- 60000 | 0 | 4 |
| 60001- 70000 | 0 | 3 |
| 70001- 80000 | 3 | 3 |
| 80001- 90000 | 1 | 0 |
| 90001- 100000 | 1 | 1 |
| 100001- 110000 | 0 | 0 |
| 110001- 120000 | 1 | 2 |
| 150001- 160000 | 1 | 0 |
| 220001- 230000 | 1 | 0 |
| 240001- 250000 | 0 | 1 |

The superannuation included here represents the superannuation expense incurred by the Office in respect of senior officers.

| | | |
|---|---------|-----------|
| The total remuneration of senior officers is: | 973,113 | 1,238,793 |
| Number of senior officers who are members of the Pension Scheme | 1 | 1 |



26 Explanatory Statement

The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditures made and revenue estimates and payments into the Consolidated Fund, all on an accrual basis.

The following explanations are provided in accordance with Treasurer's Instruction 945. Significant variations are considered to be those greater than 10%.

a Significant variances between estimate and actual - Total appropriation to purchase outputs

| | 2001/2002 Estimate \$ | 2001/2002 Actual \$ | Variance \$ |
|---|-----------------------------|---------------------------|-----------------|
| Net amount appropriated to purchase outputs | 2,545,000 | 2,415,000 | 130,000 |
| Amount authorised by other Statutes | | | |
| <i>-Salaries and Allowances Act 1975</i> | 232,000 | 390,000 | (158,000) |
| | <u>2,777,000</u> | <u>2,805,000</u> | <u>(28,000)</u> |
| Output Expenditure | | | |
| Chief Executive Officer Selection | 275,000 | 432,869 | (157,869) |

The variation of \$130,000 comprises of a \$31,000 estimated reduction in superannuation costs and recalculations of depreciation and leave expense resulting in a reduction of \$88,000. The additional funding of \$158,000 was approved to account for expenditure relating to the retirement of the then Commissioner and the appointment costs for the new Commissioner. The variation of \$157,869 in Chief Executive Officer Selection results from less positions being advertised during 2001/02.

b Significant variances between actual and prior year actual - Total appropriation to purchase outputs.

| | 2001/2002 \$ | 2000/2001 \$ | Variance \$ |
|---|-----------------|-----------------|----------------|
| Net amount of appropriation provided to purchase outputs for the year | 2,415,000 | 2,277,646 | 137,354 |
| Amount authorised by other Statutes | | | |
| <i>Salaries and Allowances Act 1975</i> | 390,000 | 224,154 | 165,846 |
| Retained revenue - Section 23A | | | |
| <i>Financial Administration and Audit Act</i> | 172,567 | 245,268 | (72,701) |

Variation in recurrent funding relates to adjustments made to account for leave expenses and depreciation.

In the 2001/2002 year, the Commissioner received a salary increase of \$8,000 approximately. This, together with the supplementary funding of \$158,000 for appointment and retirement costs, accounts for the difference of \$167,000.

The variation in revenue results from less Chief Executive Officer positions being advertised during 2001/02 and a change in accounting practices to reflect AAS 15 requirements for revenue recognition.

| | 2001/2002 \$ | 2000/2001 \$ | Variance \$ |
|--------------------------------------|------------------|------------------|----------------|
| Output Expenditure | | | |
| Compliance Monitoring and Assistance | 1,650,654 | 1,574,584 | 76,070 |
| Equal Employment Opportunity | 891,677 | 930,232 | (38,555) |
| Chief Executive Officer Selection | 432,869 | 453,914 | (21,045) |
| | <u>2,975,200</u> | <u>2,958,730</u> | <u>16,470</u> |

The variations relate to changes in employee expenses particularly with staff movements and new appointments and their associated costs. In addition, accommodation expenditure also increased. In total the variation is not significant.

c Significant variances between estimate and actual - Capital Contribution

| 2001/2002 Estimate | 2001/2002 Actual | Variance |
|-----------------------|---------------------|----------|
| \$ | \$ | \$ |
| 70,000 | 70,000 | 0 |

No variance between estimate and actual capital contribution.

d Significant variances between actual and prior year actual - Capital Contribution

| | 2001/2002 | 2000/2001 | Variance |
|----------------------|-----------|-----------|----------|
| | \$ | \$ | \$ |
| Capital contribution | 70,000 | 90,000 | (20,000) |

The funding for capital is directly linked to the Office's asset replacement program and variations occur depending on what equipment is due for replacement each year.

| | 2001/2002 | 2000/2001 | Variance |
|---------------------|-----------|-----------|----------|
| | \$ | \$ | \$ |
| Capital expenditure | 89,552 | 82,747 | 6,805 |

Not a significant variation.

27 Operating leases

The Office of the Public Sector Standards Commissioner leases motor vehicles under operating leases. These leases are cancellable leases in terms of Australian Accounting Standard AAS17 Accounting for Leases.

The total of rental expenses included in the net cost of services for the year is:

| 2001/2002 | 2000/2001 |
|-----------|-----------|
| 31,560 | 34,817 |

The Office of the Public Sector Standards Commissioner also has an operating lease for office accommodation which is managed by the Commercial Property Branch of the Department of Housing and Works.

The total accommodation expenses included in the net cost of services for the year is:

| | |
|---------|---------|
| 238,241 | 209,417 |
|---------|---------|

28 Commitments

Commitments for expenditure relating to motor vehicles and office accommodation leases contracted for the reporting date but not recognised as liabilities, payable:

| | | |
|--|---------------|----------------|
| Within 1 year | 31,708 | 150,000 |
| Later than 1 year but not later than 5 years | 0 | 55,000 |
| Later than 5 years | 0 | 0 |
| | <u>31,708</u> | <u>205,000</u> |



29 Additional financial instruments disclosures

Interest rate risk exposure

The Office's exposure to interest rate risk, repricing maturities and the effective interest rates on financial instruments are:-

| | 2001/2002 | | 2000/2001 | |
|----------------------------------|----------------------|------------------|----------------------|------------------|
| | Non-interest bearing | Total | Non-interest bearing | Total |
| Assets | | | | |
| Cash assets | 225,263 | 225,263 | 257,451 | 257,451 |
| Restricted cash assets | 280,102 | 280,102 | 285,869 | 285,869 |
| Receivable | 95,237 | 95,237 | 65,928 | 65,928 |
| Amounts receivable for outputs | 85,000 | 85,000 | 0 | 0 |
| Total financial assets | <u>685,602</u> | <u>685,602</u> | <u>609,248</u> | <u>609,248</u> |
| Liabilities | | | | |
| Payables | 37,625 | 37,625 | 65,442 | 65,442 |
| Other liabilities | 37,600 | 37,600 | 35,867 | 35,867 |
| Amounts due to Treasurer | 300,000 | 300,000 | 300,000 | 300,000 |
| Total financial liabilities | <u>375,225</u> | <u>375,225</u> | <u>401,309</u> | <u>401,309</u> |
| Net financial liabilities | <u>(310,377)</u> | <u>(310,377)</u> | <u>(207,939)</u> | <u>(207,939)</u> |

OPINION OF THE AUDITOR GENERAL (A)



AUDITOR GENERAL

To the Parliament of Western Australia

**OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER FINANCIAL
STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002**

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit opinion relates to the financial statements of the Office of the Public Sector Standards Commissioner for the year ended June 30, 2002 included on the Office's web site. The Public Sector Standards Commissioner is responsible for the integrity of the Office's web site. I have not been engaged to report on the integrity of the Office's web site. The audit opinion refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Scope

I have audited the accounts and financial statements of the Office of the Public Sector Standards Commissioner for the year ended June 30, 2002 under the provisions of the Financial Administration and Audit Act 1985.

The Public Sector Standards Commissioner is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Public Sector Standards Commissioner.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Office to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Office's financial position, its financial performance and its cash flows.

The audit opinion expressed below has been formed on the above basis.



**Office of the Public Sector Standards Commissioner
Financial statements for the year June 30, 2002**

Audit Opinion

In my opinion,

- (i) the controls exercised by the Office of the Public Sector Standards Commissioner provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Output Schedule of Expenses and Revenues and Summary of Consolidated Fund Appropriations and Revenue Estimates and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Office at June 30, 2002 and its financial performance and its cash flows for the year then ended.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
October 10, 2002



4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664



PERFORMANCE INDICATORS

CERTIFICATION OF PERFORMANCE INDICATORS

I hereby certify that the following Performance Indicators are:

- based on proper records;
- relevant and appropriate for assisting users to assess performance; and
- fairly represent the performance

of the Office of the Public Sector Standards Commissioner for the year ended 30 June 2002.

A handwritten signature in black ink that reads 'Maxine Murray'.

Maxine Murray
COMMISSIONER FOR
PUBLIC SECTOR STANDARDS

15 August 2002

PERFORMANCE INDICATORS 2001/2002

Introduction

Under s.21 of the *Public Sector Management Act 1994*, the Commissioner for Public Sector Standards has a responsibility to develop standards of human resource management and the Western Australian Public Sector Code of Ethics. The Commissioner also has a role to assist public sector bodies to comply with these.

Following discussions with the Office of the Auditor General during the course of the 2000/2001 audit, it was agreed to further examine this Office's outcome and performance indicators for Output 1.

The data from the annual survey of Parliamentarians was discontinued as an indicator because of statistical unreliability.

New indicators have been adopted for outputs one and three for this year to achieve an interim relevant measure of performance against the stated outcome for 2001/2002. Three effectiveness indicators were used during 2001/2002 to indicate performance. As part of the review of the outcome and performance indicators during the year, the Office adopted a new outcome statement. This new outcome statement and the relevant performance indicators have been approved for use in the 2002/2003 financial year. The details of the revised outcome statement and the performance indicators are in the budget papers published for the 2002/2003 financial year.

Outcome for 2001/2002

An informed Parliament and public sector concerning the status of merit, equity and probity.

Mission

Through monitoring compliance, reporting and assisting public sector bodies to comply, enable the Commissioner to meet Parliament's need for independent and impartial opinion about merit, equity and probity in the Western Australian public sector.

Effectiveness Indicator 1

Measures the effectiveness of the Standards, Regulations and Code of Ethics to assist public sector bodies to comply with the principles of merit, equity and probity.

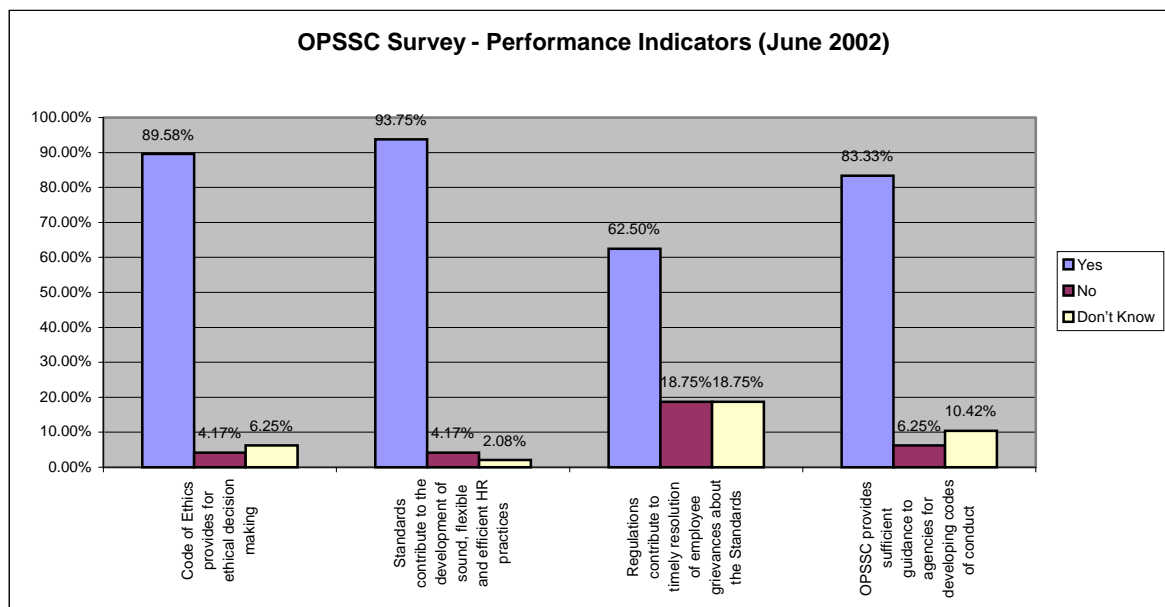
A survey was sent to human resource practitioners within the public sector. The purpose was to obtain information on the extent to which the:

- Western Australian Public Sector Code of Ethics provides for ethical decision making.
- Public Sector Standards in Human Resource Management contribute to the development of sound, flexible and efficient human resource management practices.
- Public Sector Management (*Examination and Review Procedures*) Regulations 2001 contribute to the timely resolution of employee grievances about the Standards.
- Office of the Public Sector Standards Commissioner provides organisations with sufficient guidance in developing codes of conduct.



The survey sample consists of names selected randomly from a list of human resource practitioners. This list contained 344 names across Ministerial portfolios. The response rate was 53 per cent.

The following table shows the responses to the survey.



Code of Ethics

Approximately 90% of respondents agreed that the Code of Ethics provides adequate guidance for making ethical decisions. A common view from respondents was that the broad nature of the Code of Ethics provides a basis for developing codes of conduct. Codes of conduct that incorporate the principles of the Code of Ethics with specific organisational issues, were seen by respondents as the key to addressing ethical issues.

Standards

The majority of respondents (94%) agreed that the Standards contribute toward the development of sound, flexible and efficient human resource management practices.

Regulations

Respondents agreed in 62.5% of cases that the Regulations (2001) contributed to the timely resolution of employee grievances relative to the HR Standards. Approximately 19% disagreed and the remainder did not know. The response indicated support for the fact that the Regulations allow agencies to address grievances internally before a third party was involved. Other supporting comments supported the increased onus on the claimant to substantiate their allegations.

Issues about timeliness were raised particularly with the review phase and when dealing with vexatious claims or claimants.

Codes of Conduct

The guidance provided by OPSSC to assist agencies with the development of their codes of conduct was found to be sufficient by 83% of respondents. Comments were generally positive and indicated an appreciation of the assistance provided by OPSSC.

Effectiveness Indicator 2

Increase in the proportion of EEO group members at levels where they are under represented.

The achievement of a workforce that better matches the community at all levels of public employment can be measured by the representation, usually in percentage form, of the target group (e.g. women and members of EEO groups) and also by their distribution across the hierarchy of the workforce (the Equity Index). The Equity Index equals 100 if there is equitable distribution across all levels of the sector. EEO Groups include Indigenous Australians, people from culturally diverse backgrounds and people with disabilities.

| | Data at Baseline Year | | Data at June 2001 | | Variation from Baseline | |
|---|-----------------------|--------------|-------------------|--------------|-------------------------|--------------|
| | Workforce % | Equity Index | Workforce % | Equity Index | Workforce % | Equity Index |
| Women | | | | | | |
| Public Sector | 55.1% (1996) | 50 (2000) | 61.0% | 53 | +5.9% | +3 |
| Local Govt | 43.6% (1996) | 75 (2000) | 43.5% | 76 | -0.1% | +1 |
| Universities: ACAD | 45.0% (1999) | 52 (1999) | 45.1% | 52 | +0.1% | No change |
| Universities: HEW | 60.7% (1999) | 67 (1999) | 62.1% | 71 | +1.4% | +4 |
| Indigenous Australians | | | | | | |
| Public Sector | 1.8% (2000) | 28 (2000) | 2.1% | 29 | +0.3% | +1 |
| Local Govt | 2.2% (1998) | 46 (2000) | 2.1% | 29 | -0.1% | -17 |
| Universities: ACAD | 2.1% (2000) | 39 (2000) | 2.1% | 41 | No change | +2 |
| Universities: HEW | 1.5% (2000) | 35 (2000) | 1.4% | 36 | -0.1% | +1 |
| People from Culturally Diverse Backgrounds | | | | | | |
| Public Sector | 4.3% (2000) | 117 (2000) | 4.3% | 120 | No change | +3 |
| Local Govt | 3.4% (1998) | 67 (2000) | 5.8% | 81 | +2.4% | +14 |
| Universities: ACAD | 14.3% (2000) | 94 (2000) | 15.7% | 94 | +1.4% | No change |
| Universities: HEW | 8.5% (2000) | 108 (2000) | 10.8% | 97 | +2.3% | -11 |
| People with Disabilities | | | | | | |
| Public Sector | 1.1% (2000) | 94 (2000) | 2.1% | 106 | +1.0% | +12 |
| Local Govt | 0.7% (1998) | 60 (2000) | 1.2% | 57 | +0.5% | -3 |
| Universities: ACAD | 2.8% (2000) | 129 (2000) | 2.5% | 89 | -0.3% | -40 |
| Universities: HEW | 3.0% (2000) | 80 (2000) | 2.9% | 133 | -0.1% | +53 |

Notes:

1. ACAD = Academics, HEW = Higher Education Workers.
2. This measure aims to provide a five-year comparison with the current year. However, at this stage the five-year comparison would not always be statistically valid where sample sizes have changed substantially or where the Equity Index has been based on different pay rates. In these cases the most recent, statistically valid comparison is provided which is closest to a five-year trend.
3. Percentages for 2001 on the three EEO groups other than women are based on a sample of 82.5% of the public sector workforce, 81.5% of local government and 37.0% of public university academic workers and 40.9% of public university higher education workers. Percentage calculations are based on all employees, including casuals and sessionals.
4. The current Western Australian Equity Index measures the distribution of employees across different levels in a public authority and compares it to the distribution of women or the EEO group under consideration. The ideal Equity Index is 100, indicating that women or the EEO group have the same distribution as the workforce as a whole. If the distribution of women or the EEO group is lower than the distribution for all employees within the public authority there is compression at the lower levels and the Equity Index is less than 100. An Index of more than 100 means members of the group are more likely to be at the higher levels. The Equity Index calculation is based on permanent and fixed term employees.
5. The Equity Index for local government is based on local government award salary ranges and does not take into account pay rises due to enterprise and workers' agreements. This means the Equity Index may be an overestimate due to 'bracket creep'.



Effectiveness Indicator 3

| | 2000/2001 Actual | 2001/2002 Actual |
|---|---------------------|---------------------|
| Percentage of Commissioner's nominations accepted by Minister for Public Sector Management ^(a) | 96% | 86% ^(b) |

Notes:

(a) A new indicator developed as a better measure of performance.

(b) The Minister announced decisions for seven positions in 2001/2002 and accepted the Commissioner's nomination in six of these.

Output 1: Compliance Monitoring and Assistance

Efficiency Indicator 1 - Average Cost per Complaint, Breach, Review, Inquiry and Presentation

| Year | Costs (\$ 000) | No. of Transactions | Cost per Transaction \$ |
|---------|-------------------|------------------------|----------------------------|
| 2001/02 | 1,650 | 2154 | 766 |
| 2000/01 | 1,575 | 1652 | 953 |

*Costs are total operating costs for the financial year.

Output 2: Equal Employment Opportunity – Advice, Assistance and Evaluation

Efficiency Indicator 2 - Average Cost per Public Authority for Equal Employment Opportunity

| Year | Costs (\$000) | No. of Public Authorities | Cost per Public Authority \$ |
|---------|------------------|------------------------------|------------------------------------|
| 2001/02 | 892 | 305 | 2,924 |
| 2000/01 | 895 | 300 | 2,983 |
| 1999/00 | 965 | 272 | 3,548 |

Notes:

This indicator shows the cost per public authority for reporting on their compliance with Part IX of the *Equal Opportunity Act 1984* and assisting them to achieve a more diverse workforce.

The costs of delivering this output are divided by the total number of public authorities in the public sector, local government and the universities.

Costs are total operating costs for the financial year. They include costs recouped from agencies for the delivery of training.

The number of public authorities is based on the most recent available data for the public sector as at 30 June 2001, universities as at 31 March 2001 and local government as at 30 June 2001.

Output 3: Independent Chief Executive Officer Selection and Reappointment Advice

Efficiency Indicator 3

The cost of delivering the output will be divided by the number of CEO selections completed in a financial year.

Average Cost per CEO Selection

| Year | Costs (\$ 000) | No. of Positions | Average Cost Per CEO Selection \$ |
|---------|-------------------|------------------|---|
| 2001/02 | 433 | 7 | 61,857 |
| 2000/01 | 454 | 14 | 32,429 |
| 1999/00 | 253 | 21 | 12,048 |

Notes:

The cost of service from 2000 to 2002 includes expense costs for all positions met from the Treasurer's Advance Account and recouped from agencies.

The results over a number of periods will show the relationship between the resources used and the number of CEO selections conducted. The costs between 1999/2000 and 2000/2001 are not comparable as the costs from the Treasurer's Advance are not included in the 1999/2000 costs.

Because vacancy numbers may vary from year to year, costs may not vary in a consistent manner.

The significant variation in average cost between 2001/01 and 2001/02 is due to the small number of positions dealt with in 2001/2002.



OPINION OF THE AUDITOR GENERAL (B)



AUDITOR GENERAL

To the Parliament of Western Australia

OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2002

Matters Relating to the Electronic Presentation of the Audited Performance Indicators

This audit opinion relates to the performance indicators of the Office of the Public Sector Standards Commissioner for the year ended June 30, 2002 included on the Office's web site. The Public Sector Standards Commissioner is responsible for the integrity of the Office's web site. I have not been engaged to report on the integrity of the Office's web site. The audit opinion refers only to the performance indicators named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these performance indicators. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance indicators to confirm the information included in the audited performance indicators presented on this web site.

Scope

I have audited the key effectiveness and efficiency performance indicators of the Office of the Public Sector Standards Commissioner for the year ended June 30, 2002 under the provisions of the Financial Administration and Audit Act 1985. The indicators are set out in the Performance Indicator section of the annual report.

The Public Sector Standards Commissioner is responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Office's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Office of the Public Sector Standards Commissioner are relevant and appropriate for assisting users to assess the Office's performance and fairly represent the indicated performance for the year ended June 30, 2002.

AUDITOR GENERAL
October 10, 2002

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664





PUBLICATIONS

The following publications and reports have been produced by the various outputs within the Office and are available to be viewed at this Office. Some can be viewed on the Office Web Pages at <http://www.wa.gov.au/opssc/> and <http://www.oeeo.wa.gov.au>. Limited numbers of these booklets are available to the public free of charge.

For people with disabilities this document and other publications can be made available in alternative formats on request.

Office of the Public Sector Standards Commissioner

- ☐ Building a Better Public Sector
- ☐ Public Sector Standards Commission Annual Report 1995 & 1996
- ☐ Office of the Public Sector Standards Commissioner Annual Report 1997- 2002
- ☐ Public Sector Standards in Human Resource Management
- ☐ Western Australian Public Sector Code of Ethics
- ☐ Western Australian Public Sector Code of Ethics Interview (Video and CD ROM)
- ☐ Guidelines for Developing Codes of Conduct
- ☐ Putting Ethics to Work (training manual)
- ☐ Self Assessment Guidelines (to assist agencies to review compliance with Public Sector Standards in Human Resource Management and ethical codes)
- ☐ Template Code of Conduct for Government Boards and Committees
- ☐ Revitalising Codes of Conduct
- ☐ Your Questions Answered: Standards, Regulations and Code of Ethics

Office of Equal Employment Opportunity

- ☐ Director of Equal Opportunity in Public Employment Annual Reports 1985/86 to 2000/01
- ☐ Accent on Ability
- ☐ Acts of Courage: Public Sector CEOs on Men, Women and Work
- ☐ Are You Employing Aboriginal Staff? A Resource Kit for Non-Aboriginal Supervisors of Aboriginal Staff
- ☐ Breaking Through: Women Executives in the WA Public Sector

- ❑ EEO and Diversity Management Planning: A Guide for Equity Planners and Practitioners
- ❑ Equity and Diversity Plan for the Public Sector Workforce 2001-2005
- ❑ Equity and Diversity Planning Strategies
- ❑ Implementing Flexible Working Arrangements: A Resource Kit
- ❑ Innovative Recruitment
- ❑ Insights: Strategies for Success. Indigenous and Non-Indigenous People on Work
- ❑ Mentoring: A Strategy for Achieving Equity and Diversity
- ❑ Overcoming Workplace Barriers for Aboriginal Staff – A Resource Kit for Managers and Supervisors Working with Aboriginal Staff
- ❑ Searching for Public Sector Executives: Equity Principles
- ❑ Tapping Into Talent: A Review Guide
- ❑ Understanding EEO in WA
- ❑ Voices of Diversity
- ❑ Women In Management: Good Ideas for Improving Diversity

The Key is a quarterly publication, produced electronically by the Office of EEO, dealing with current issues in equity and diversity. It is distributed free of charge via e-mail. For enquiries about *The Key* or any other publication, or to join the distribution list, please contact the Office on (08) 9214 6633 or via e-mail to deope@opssc.wa.gov.au.



STAFF PROFILE

AS AT 30 JUNE 2002

| POSITION | CLASSIFICATION | EMPLOYEE |
|---|----------------|---|
| COMMISSIONER'S OFFICE | | |
| Commissioner | Special 7 | M. MURRAY BA, Dip Ed |
| Executive Assistant | Level 4 | A. E. ANDREW |
| COMPLIANCE MONITORING AND ASSISTANCE | | |
| Executive Director | Level 9 | N. R. HUNTER Dip Pub Admin, Dip Pers Mgmt Grad Dip Bus (LSL) |
| A/Executive Director | Class 2 | P. FORD BSc (Hons) Dip Ed |
| A/Director Compliance Monitoring | Level 8 | M. CLIFFORD BSc, MA HRM |
| Manager Evaluation and Reporting | Level 7 | J. D. SMITH MBA, BSc, BPsych, Grad Dip Ed |
| Senior Consultant (Breach Claims) | Level 6 | D. FRICKER |
| Senior Consultant (Compliance Inquiries) | Level 6 | G. WASHER |
| Senior Consultant (Compliance Audits) | Level 6 | Occupant undertaking higher duties |
| Senior Consultant | Level 6 | D. J. SOLOSY BAppSc, Grad Dip PS Mgmt |
| Consultant | Level 5 | J. MATTHEWS BAppSc |
| Consultant | Level 5 | A. PITTOCK B Bus |
| Consultant | Level 5 | M. WATSON BCom |
| Consultant | Level 5 | Vacant |
| Research Officer (0.5) | Level 3 | D. OXLEY BA (Hons), Grad Dip HRM |
| Research Officer | Level 3 | L. GUEST BA Arts |
| A/Administrative Assistant | Level 2 | L. WEIR |
| A/Administrative Assistant | Level 1 | G. CARROLL BSc (Hons) Urban Estate Mngmt. |
| OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY | | |
| A/Director | Level 9 | G. M. WHITE BSc, Dip Ed, Grad Dip Public Policy |
| Manager, EEO Development and Implementation | Level 7 | H. SAUNDERS MEd Man, BA (Hons) Dip Ed, Grad Dip Counselling |
| Manager, EEO Development and Implementation | Level 7 | Occupant undertaking higher duties |
| A/Senior Consultant | Level 6 | A .L. ROBINSON Dip Bus, Grad Cert HRM |
| Consultant | Level 5 | K. ANNING |
| Consultant | Level 5 | S. J. THOMSON BA Social Science |
| Executive Officer (0.5) | Level 4 | M. L. BUNN BA (Hons) English |
| Data and Systems Officer | Level 4 | Vacant |
| Administrative Assistant | Level 2 | J. VAN OSTA |
| Administrative Assistant & Training | Level 2 | J. CLISSA |
| Support Officer (0.5) | | |
| Officer (0.5) | Level 1 | Occupant on secondment |
| School Based Trainee (0.4) | Trainee | H. JOY |
| CHIEF EXECUTIVE OFFICER SELECTION | | |
| Director | Level 8 | B. BOYLEN Dip Bus Admin |
| Administrative Assistant | Level 2 | S. M. MORRISSEY |
| CORPORATE SERVICES | | |
| Office Manager | Level 5 | Z. MILAMBO BBus |
| A/Information Officer | Level 3 | C. JAMES |
| Reception Services Officer | Level 1 | D.VUKCEVIC BA (Hons) European Studies |
| Records/Reception Officer | Level 1 | Occupant on secondment |



Officers on Secondment, Maternity Leave, Leave Without Pay

F. ROBINSON , C. CONSTANTINE, R. KHAN, Y. LOMBARDO, M. DENNISON, B HILL, S. M. CHUNG,
L. PIERSON, A. WILSON