

**DEPARTMENT OF THE REGISTRAR**

**WESTERN AUSTRALIAN  
INDUSTRIAL RELATIONS  
COMMISSION**

**ANNUAL REPORT**

**2005/2006**



TO THE HONOURABLE JOHN BOWLER

MINISTER FOR EMPLOYMENT PROTECTION

**2005/2006 ANNUAL REPORT**

In accordance with Section 66 of the Financial Administration and Audit Act 1985, I am pleased to present to you for your information and presentation to Parliament the Annual Report of the Department of the Registrar Western Australian Industrial Relations Commission, for the financial year ended June 30, 2006

The Annual Report has been prepared in accordance with the provisions of the *Financial Administration Audit Act, 1985*.



John Spurling  
**CHIEF EXECUTIVE OFFICER**  
11 September, 2006



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## THE DEPARTMENT

### RESPONSIBLE MINISTER

The Department of the Registrar is responsible to the Minister for Employment Protection, the Honourable John Bowler.

### CHIEF EXECUTIVE OFFICER

The Chief Executive Officer of the Department, Mr John Spurling is also the Accountable Officer for the Department, as prescribed in section 52 of the *Financial Administration and Audit Act 1985*.

The person who is appointed as the Chief Executive Officer of the Department is usually also appointed as the Registrar of the Western Australian Industrial Relations Commission.

This report does not deal with the Western Australian Industrial Relations Commission because that tribunal is an independent statutory tribunal and is separately accountable to Parliament. The Chief Commissioner provides an annual report to Parliament on its operations and the Industrial Relations Act.

### MISSION STATEMENT

The Department's mission is "To support the Western Australian Industrial Relations Commission to provide our community with a means of preventing and resolving conflict in respect to industrial matters."

### LOCATION

The Department is co-located with the Australian Industrial Registry at 111 St George's Terrace, Perth.

### CONTACTS

Telephone	(08) 9420 4444
Freecall	1800 624 263
Fax	(08) 9420 4500
FreeFax	1800 804 987
E-mail	<a href="mailto:wairc@wairc.wa.gov.au">wairc@wairc.wa.gov.au</a>
Internet	<a href="http://www.wairc.wa.gov.au">http://www.wairc.wa.gov.au</a>

## EXECUTIVE SUMMARY

The Department of the Registrar, Western Australian Industrial Relations Commission is established under the Public Sector Management Act and is responsible to the Minister for Employment Protection.

The Department was created in 1989, emerging from other Departments, firstly the Crown Law Department in 1964, then the Department of Labour and Industry in 1989. It is one of those few departments, created as a public service department and therefore accountable to the Government of the day, but whose principal function is to support a statutory tribunal, independent of government. Accordingly, managing government desired outcomes while protecting the independence of the Commission is always a constant and careful exercise in discretionary schizophrenia.

The Department has adopted the Government's strategic planning framework where high level government strategic goals are supported by agency level outcomes and services.

The "*Better Planning - Better Services*" protocol established five strategic goals for Government, aimed at improving the quality of life for all Western Australians. The following table illustrates the relationship between the Department's desired outcome and the government goal for the Economy.

Government Goal	Department's Desired Outcome	Services We Provide
To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.	The prevention and resolution of industrial relations matters.	Support to the Western Australian Industrial Relations Commission and Industrial Magistrates Court.

I am please to report that our Department has continued to provide a high quality level of support to the Commission throughout the year.

I take this opportunity to thank all staff for their service and support throughout the recent challenging year.



John Spurling  
Chief Executive Officer

## **ACHIEVEMENTS, CHALLENGES AND ISSUES**

### **IMPROVED ACCESS TO THE COMMISSION**

We constantly strive to establish easier and more efficient means for the community to have the benefit of the services of the Commission and this year we initiated two major technology projects which have delivered better access for all the community.

#### **Kiosk**

We have developed a 'Kiosk' arrangement in Karratha which allows the community in that region to have online, two way face to face (Internet video) interaction, with our staff in Perth. After trialling the concept successfully it is our plan to install similar kiosk facilities in other major regional areas.

#### **Internet Streaming**

Also this year, through the innovative efforts of our technology people, we enabled the Commission to video stream the 2006 General Order wage case and the issuing of the decision. A video and audio record of the proceedings continues to be available on our website. The video streaming enabled a range of people, including academics, lawyers and government agencies to view proceedings from their offices.

### **OFFICE OF SHARED SERVICES**

The Department is working closely with the Office of Shared Services (OSS) as we move towards a successful implementation of the shared corporate services.

Our staff have learnt from staff consultation, participating on committees, working parties and selection panels the best way for a hassle free migration to the new systems.

### **CORPORATE SERVICES**

#### **Better Practice Again**

This year we were again acknowledged by the Auditor General as being a "better practice" agency by providing high quality financial statements and performance indicators, supported by reliable working papers, well in advance of the statutory due date. This is the third consecutive year we have been named as a better practice agency for timeliness and quality. This achievement reflects creditably upon Sadie Godfrey, our Corporate Services Director and all of her staff.

**Efficient adoption of UNSPSC**

We have also embraced the requirement of the Office of Government Procurement and adopted the United Nations Standard Product and Services Code (UNSPSC) classification system for goods and services. Efficient adaptation to this Code allowed us to submit the annual analysis report on expenditure in record time. The State Supply Commission appreciated our prompt submission of the report and complimented us on the speed and accuracy in which the report was lodged.

Adopting this coding system allowed us to review our whole accounting structure and implement a new accounting framework which more closely mirrors that of the Office of Shared Services in readiness for our move to the Shared Corporate Services functions in 2007.

**WORK CHOICES LEGISLATION**

A major challenge currently being faced by us and the Commission is the introduction of the federal “Work Choices” legislation which has introduced significant uncertainty for the Western Australian community in that they are now unsure of their ability to use the services of the Western Australian Industrial Relations Commission.

The new legislation is being challenged by all States in the High Court on the grounds that the Work Choices legislation does not have constitutional authority in its use of the “corporations power” to take over management of State Industrial Relations responsibilities for a major proportion of the workforce. The legislation has reduced the range of employers and employees who may benefit from the services of the Western Australian Industrial Relations Commission but the full impact of the changes will have to await High Court and other tribunal deliberations.

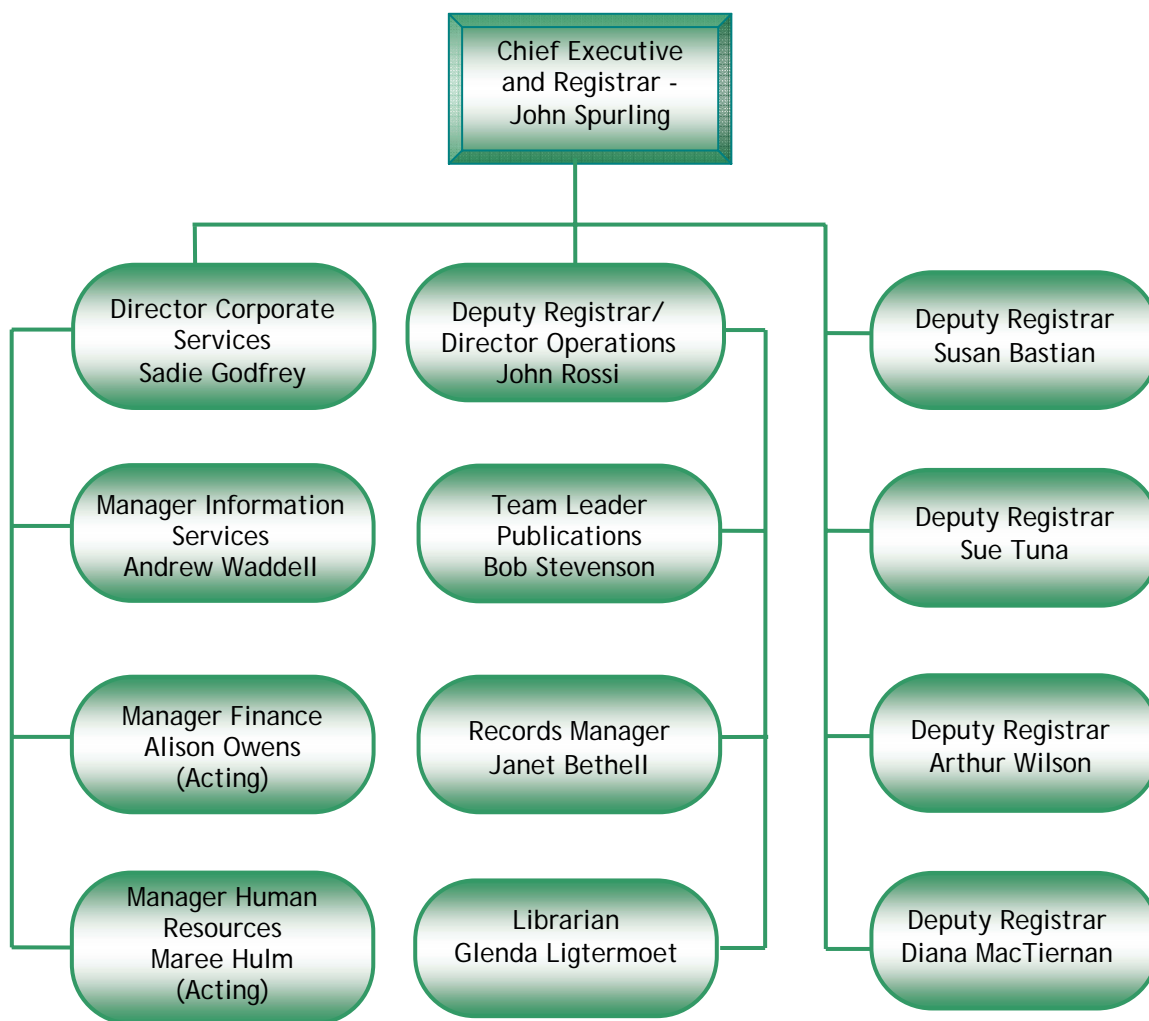
Therefore it is an exciting challenge to manage this uncertain change and we all continue to work closely with the Commission to ensure the WA community still has the high quality services it deserves.

## OUR HISTORY

### A BRIEF HISTORY OF THE DEPARTMENT OF THE REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

- 1900 Conciliation and Arbitration Act Established the Registrar of Friendly Societies who was the Registrar of industrial unions Industrial Registrar serviced the Arbitration and was part of the Crown Law Department
- 1900 E T Owen appointed Registrar
- 1905 Registrar appointed federal Deputy Registrar under federal act
- 1909 S Bennett appointed Registrar
- 1922 Union registrations passed from Registrar of Friendly Societies to Clerk of the Court of Arbitration
- 1922 FE Walsh appointed Registrar
- 1924 Registry functions under Trade Union Act passed from Registrar of Friendly Societies to Registrar of Industrial Unions
- 1939 R A Wood appointed Registrar
- 1948 s 166 created office of Assistant Registrar
- 1949 J H Bogue appointed Registrar
- 1960 S C Bruce appointed Registrar
- 1963 Amendment separated arbitral and judicial functions by creating Industrial Appeal Court and Industrial Commission with Chief Commissioner and three other Commissioners
- 1963 R Bowyer appointed Registrar
- 1964 Industrial arbitration Act 1963 transferred the Industrial Registrar from the Crown Law Dept to the Department of Labour and Industry
- 1965 Industrial Commission moved from Supreme Court buildings to new premises in Murray Street
- 1971 Roy (Rex) Ellis appointed Registrar
- 1977 Federal commission opened office in Perth and state registrar ceased to be federal deputy Registrar
- 1981 Keith Scapin appointed Registrar
- 1983 Confirmation from Registrar that Commission could operate efficiently with existing staffing level of 28 if administratively autonomous
- 1983 Registrar becomes de facto autonomous except for accounting functions, although continued to be part of the Department of Industrial Affairs
- 1984 Preparation of budget estimates taken over by Registrar
- 1985 Commission's establishment moved under the Department of Employment of Training but still remained on a defacto autonomous footing
- 1985 Registrar took over registry functions for Promotion Appeals, Railways Classification Board, Public Service Arbitrator and Government School Teachers Tribunal
- 1986 Registrar took over accounting system from Department of Occupational Health and the Registrar became the Accountable officer
- 1987 John G Carrigg appointed Registrar
- 1989 Department of the Registrar established with Registrar as CEO
- 1995 Commission relocated from Supply House in Hay Street, to 111 St George's Terrace
- 1997 John Spurling appointed Registrar
- 1999 Began providing Registry services for the Australian Industrial Registry
- 2002 Began registration process for Employer – Employee Agreements
- 2003 Deputy Registrars given specific authority to mediate in unfair dismissal claims
- 2004 Occupational and Safety Health Tribunal established within the Commission
- 2006 Federal industrial relations legislation enacted to significantly encroach on state jurisdiction

## OUR STRUCTURE



## CONTRACTS WITH SENIOR OFFICERS

At the date of reporting, other than normal contracts of employment of service, no Senior Officers, or firms of which Senior Officers are members, or entities in which Senior Officers have substantial interests had any interests in existing or proposed contracts with the Department and Senior Officers.

## GOVERNMENT'S STRATEGIC PLANNING FRAMEWORK

The Department supports the “*Better Planning - Better Services*” strategic planning framework and contributes to the Government strategic goals.

The Department contributes most directly to the following Government Strategic Goal:

### THE ECONOMY

***“To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.”***

The Department contributes to this goal by ensuring the Western Australian Industrial Relations Commission has the necessary resources to effectively resolve industrial disputes. With an effective and efficient means to resolve employment relationships conflict, the community is able to devote its means of production more directly to opportunities for investment and growth leading to greater wealth for Western Australians. An independent and effective Industrial Relations Commission is essential to a vibrant and thriving economy.

In pursuing our objectives, the Department also contributes in various ways to the other Government strategic goals which are:

### PEOPLE AND COMMUNITIES

***“To enhance the quality of life and well being of all people throughout Western Australia.”***

### THE ENVIRONMENT

***“To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.”***

### THE REGIONS

***“To ensure that regional Western Australia is strong and vibrant.”***

### GOVERNANCE

***“To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.”***

The obligatory reporting requirements of the Governments Strategic Planning Framework five goals are as follows:

## **1. PEOPLE AND COMMUNITIES**

Disability Access and Inclusion Plan Outcomes  
Cultural Diversity and Language Services Outcomes  
Youth Outcomes  
Substantive Equality

## **2. THE ECONOMY**

## **3. THE ENVIRONMENT**

Waste Paper Recycling  
Energy Smart Government Policy

## **4. THE REGIONS**

Regional Development Policy

## **5. GOVERNANCE**

Evaluations  
Information Statement  
Recordkeeping Plans  
Advertising  
Sustainability  
Equal Employment Opportunity Outcomes  
Compliance with Public Sector Standards and Ethical Codes  
Corruption Prevention  
Public Interest Disclosures  
Financial Audit and Administration Act Reports

These goals are addressed in this report to the extent possible. The Department's prime role is to support the Western Australian Industrial Relations Commission and the operations of the Department are directly affected by the activities of the Commission and by the legislation that affects the Commission. Whilst the Commission supports the Department fulfilling its role to Government it is not always possible to meet all requirements whilst maintaining the independence of the Commission.

## CORPORATE GOVERNANCE

### ENABLING LEGISLATION

The Department of the Registrar is a Department established under Section 35 of the *Public Sector Management Act 1994*.

### RELEVANT ACTS

- Industrial Relations Act 1979
- Labour Relations Reform Act 2002
- The Police Act 1892
- Occupational Safety and Health Act 1984
- Mines Safety and Inspection Act 1994

These Acts provide for the following Affiliated Bodies, their jurisdiction and powers:

- The Western Australian Industrial Relations Commission, the Industrial Appeal Court, Public Service Appeal Board, the Public Service Arbitrator, Railways Classification Board, the Occupational Safety and Health Tribunal and the Industrial Magistrates Court.
- The appointment of Associates by the Minister as officers of the Commission.
- The appointment of the Registrar and such number of Deputy Registrars and other officers as may from time to time be necessary for the purposes of the Industrial Relations Act.

The following Acts also provide for the establishment of Boards of Reference, their jurisdiction and powers with respect to Long Service Leave:

- The Long Service Leave Act 1958
- Construction Industry Portable Paid Long Service Leave Act 1985

### RELEVANT REGULATIONS

The Industrial Magistrates Courts (General Jurisdiction) regulations 2005 commenced on the 1st May 2005 and replaced the Industrial Magistrates Courts (General Jurisdiction) regulations 2000.

The Industrial Relations (General) Regulations 1997 were amended commencing from 29 June 2004 to provide for a procedure and prescribed forms for notice initiating bargaining and response to notice initiating bargaining.

The Industrial Relations Commission Regulations 2005 commenced on August 12, 2005 (replacing the Industrial Relations Commission Regulations 1985) and now incorporate the Occupational and Safety Health Tribunal and procedures and prescribed forms for the referral of matters to the Tribunal.

## LEGISLATION ADMINISTERED

The Department of the Registrar does not administer any legislation.

## LEGISLATION IMPACTING ON THE DEPARTMENT'S ACTIVITIES

In the performance of its functions, the Department has complied with all relevant written laws and instructions including:

- Financial Administration and Audit Act 1985
- Public Sector Management Act 1994
- Salaries and Allowances Act 1975
- Equal Opportunity Act 1984
- Occupational Safety and Health Act 1984
- Workplace Agreement Act 1993
- Minimum Conditions of Employment Act 1993
- Industrial Relations Act 1979
- Library Board of Western Australia Act 1951
- Disability Services Act 1993
- Industrial Relations (W.A. Industrial Appeal Court) Regulations 1980
- Labour Relations Reform Act 2002
- Freedom of Information Act 1992
- State Records Act 2000
- State Supply Commission Act 1991
- The Police Act
- Circulars to Chief Executive Officers (Circulars to Ministers)
- Code of Ethics
- Public Sector Standards
- Public Service Administrative Instructions
- Treasurer's Instructions

In the financial administration of the Department, we have complied with the requirements of the Financial Administration and Audit Act 1985 and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

## COMPLIANCE REPORTING

This section addresses the Department's reporting requirement's in accordance with the goals of the State Government's strategic planning framework - "Better Planning - Better Services".

### GOAL ONE: PEOPLE AND COMMUNITIES

***"To enhance the quality of life and well being of all people throughout Western Australia."***

#### DISABILITY ACCESS PLAN OUTCOMES

The Department of the Registrar is committed to supporting people with disabilities by improving access to its information, services and facilities.

Our Disability Service Plan (DSP) addresses the barriers for people with disabilities who need the Department's services and facilities. This plan is currently under review as we progress towards developing our Disability Access and Inclusion Plan (DAIP) by July 2007 in accordance with the recent amendments to the *Disability Services Act (1993)*.

The Department has undertaken the following to address the desired outcomes of the Disability Access and Inclusion Plan and continues to be proactive in raising awareness of potential and actual barriers experienced by people who have a disability or impairment.

*OUTCOME ONE: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the Department.*

The Department has a nominated "Accessibility Officer" to enable members of the public to deal initially with one staff member who is responsible for answering their questions and ensuring their individual needs are accommodated. A standard statement, in a prominent position, is to be included on all future publications advising of the availability of this officer to assist people with disabilities.

*OUTCOME TWO: People with disabilities have the same opportunities as other people to access the buildings and other facilities of the Department.*

Issues of access to the building have been discussed with the building owner and the Department will continue to work together with them with a view to enhancing the overall accessibility to our premises.

Appropriate signage has been improved across all public floors and our website contains information regarding disability access to the Commission and links to City of Perth regarding accessible public parking facilities.

A checklist will be implemented for use when proposing accommodation changes to ensure the needs of people with disabilities are addressed appropriately.

*OUTCOME THREE: People with disabilities receive information from the Department in a format that will enable them to access the information as readily as other people.*

All departmental information about services is available in alternative formats, on request. Alternative formats include any format that meets the specific needs of the communication requirements of people with disabilities.

A computer is to be made available for people with disabilities which will contain appropriate software to assist them in accessing the Department's website and required documentation.

*OUTCOME FOUR: People with disabilities receive the same level and quality of service from the staff of the Department as other people receive.*

All staff this year received training in awareness and needs of people with disabilities. These sessions were co-facilitated by people with a disability and provided a new insight into issues and challenges faced on a daily basis by people with disabilities.

The staff induction manual is in the process of being updated and will include information about disabilities and the location of disability resources.

*OUTCOME FIVE: People with disabilities have the same opportunities as other people to make complaints to the Department.*

The Department offers a TTY facility and full interpreter services are available upon request. Our finalized DAIP will be published on our website and will contain links and contact details of relevant personnel to direct enquiries or complaints to. The avenues available for making complaints to the Department will be reviewed to ensure accessibility.

*OUTCOME SIX: People with disabilities have the same opportunity as other people to participate in any public consultation by the Department.*

The training conducted this year has given us some initial points of contact and avenues where we can seek input and advice from people with disabilities. It is our intention to further develop and maintain an up-to-date list of useful contacts who can advise the Department on accommodating people with disabilities or provide necessary assistance.

## CULTURAL DIVERSITY

The Department recognises that some people in the community have a level of English language fluency that could be a barrier to accessing an effective service. People accessing our registry services may request to, or have their enquiry handled through a reputable translation services.

During the year the website content is maintained and new translations are added to the general information page on the website which currently includes the following translations:

- Chinese
- Françoise/French
- Deutsch/German
- Polish
- Italiano/Italian
- Vietnamese
- Arabic
- Croatian
- Greek

## YOUTH OUTCOMES

The Department is committed to supporting young people in their learning and understanding of the Industrial Relations processes.

Our staff regularly support and advise University and other students using our library resources for research projects and assignments.

We encourage and regularly host groups from University and Technical Colleges visiting the Commission and we enable observation of hearings before the Commission. We regularly support programmes involving mock hearings, often involving members of the Commission. These occasions provide a practical understanding of the role and operation of the Commission.

The Department supports the Government's youth employment initiative by providing work experience opportunities for young people. In 2005/06 work experience was provided for two undergraduates.

We also actively support school based traineeships. During 2005/06 two school based trainees were managed and mentored by our Publications and Awards section. These students attend work 2 days per week during years 11 and 12. Their work experience with us contributes to their assessment towards Certificate Two in Business.

## GOAL TWO: THE ECONOMY

***“To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.”***

The Department contributes to this Government’s strategic goal by ensuring the Western Australian Industrial Relations Commission has the necessary resources to effectively prevent or resolve disputes between employers and employees. With an effective and efficient means to resolve employment relationship conflicts, the community is able to devote its means of production more directly to opportunities for investment and growth leading to greater wealth for Western Australians.

The Department’s financial reporting requirements are contained in the financial statements (refer page 46) which are prepared in compliance with the *Financial Administration and Audit Act, 1985*. Page 40 contains performance indicator information for the year ended June 30, 2006.

## GOAL THREE: THE ENVIRONMENT

***“To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.”***

### ENERGY USAGE

The Department continues to implement measures to minimise energy usage including integrating the principles of energy efficiency into our everyday core business, policies, procedures, and operations. However, despite our efforts and ongoing education of staff, we were unable to meet the Energy Smart Government Target for 2006.

Our previous reported figures clearly indicated that a detailed analysis of our energy usage was required in order to identify areas where improvements could be made. To this end, a full audit of our energy usage was commissioned in March 2006, with the aid of a facilitation grant from the Sustainable Energy Development Office (SEDO). The Department acknowledges the support and assistance provided to us by the staff of SEDO in this regard.

The audit report clearly identified the highest usage areas of energy and provided constructive advice on steps which could be taken to reduce our consumption. Some of the recommendations were able to be implemented immediately however an area of ongoing concern includes Courts and hearing rooms over which the Department has no direct control. The possibility of installing occupancy sensors for these areas will be investigated further in 2006.

The report indicated that the greatest efficiency would be realised by re-lamping our offices. Through the Department of Treasury and Finance, a tender was awarded for this work which is to be carried out in August 2006.

There will be detailed monitoring of our energy usage following the implementation of the new lighting arrangement, but indications from the energy audit are that we should expect an immediate significant reduction in energy usage.

We look forward to the success of this project and being able to report next year that we have been able to significantly contribute to the Government energy saving initiative.

The following table summarises 2005/2006 information:

Energy Smart Government program	Baseline Data	2005/2006 Actuals	Variation to Baseline %
Energy Consumption (MJ)	1,135,047	1,284,219	13%
Energy Cost Office (\$)	56,358	57,055	1%
Greenhouse Gas Emissions (tonnes of CO <sub>2</sub> )	290	321	10%
Office Performance indicators MJ/sqm (1710 m <sup>2</sup> )	191	212	10%
MJ/FTE	5,944	5,657	- 4%

## RECYCLING

The Department adheres to the State Government's policy to recycle wherever practicable and utilises the "Whole of State Government Contract". During 2005/2006 the Department recycled 2.02 tonnes of paper.

## GOAL FOUR: THE REGIONS

***"To ensure that regional Western Australia is strong and vibrant."***

The Karratha office of the Western Australian Industrial Relation Commission was officially closed on 30 June 2006 after 24 years of regional service.

The office was established in Karratha in the early 1980's. However, activities within the region have declined dramatically over the years and the industrial relations work associated with the economic development in the area is now largely regulated by the Australian Industrial Relations Commission.

It was with considerable regret that the Commission made the decision to withdraw a physical presence in the region after so many years of activity within the community.

However, with the current technology available to the community the Department have established an internet kiosk. This will enable members of the community who need assistance from the Department in relation to industrial matters, a two way face to face (internet video) interaction with our Registry in Perth. After trialling the concept successfully it is our plan to install similar kiosk facilities in other major regional areas. We will continue to maintain the State-wide free call and free fax services.

With the introduction this year of video streaming the regional community were able to view live, the hearings of the 2006 General Order wage case. This project was extremely successful and we are now considering expanding the broadcast to other key matters that occur before the Commission. This project is deliverable to all people throughout Western Australia and enables regional Western Australians greater access to the activities of the Commission.

## GOAL FIVE: GOVERNANCE

***“To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.”***

### FREEDOM OF INFORMATION

One Freedom of Information request was received in 2005/2006.

In accordance with Part 5 section 94 of the Freedom of Information Act, the Department has an Information Statement available to the public on request. The Information Statement has been provided to the Office of the Information Commissioner.

All enquiries can be made to the FOI Coordinator directly on 9420 4483.

### RECORD KEEPING PLANS

The Record Keeping Plan, endorsed by the State Records Office has been continually evaluated and up-dated against the department's changing record keeping systems and requirements.

The Department has undertaken a number of record keeping improvements during the past 12 months. Since January 2006 all incoming mail has been scanned and indexed in the Electronic Document and Records Management System (TRIM Context).

TRIM Context has been partially integrated with the Court Application Management System allowing Registry staff to view documents relating to applications electronically.

The Department has also developed an Intranet site for recordkeeping information to assist both new and existing employees understand their roles and responsibilities with regard to recordkeeping.

The following initiatives will be undertaken before July 2007:

- The introduction of Electronic Document Records Management (EDRM);
- Training requirements will be reviewed in line with the introduction of EDRM;
- Review of the Records Intranet site to include more online training options for new and existing staff; and
- The efficiency and effectiveness of the recordkeeping systems and practices will be reviewed and feed into the Recordkeeping Plan review process.

The Department will ensure our induction program includes introducing new staff to their record keeping responsibilities.

## ADVERTISING

In accordance with section 175ZE of the *Electoral Act (1907)*, the Department of the Registrar is required to report on expenditure incurred during the financial year in relation to advertising and sponsorship.

This agency expended \$13,974 on newspaper advertising in respect of notices required by the operation of the Industrial Relations Act and job advertisements. All of this expenditure was paid to the Government contractor for media advertising. There was no expenditure in the market research, direct mail and polling areas by the Department.

## SUSTAINABILITY

In December 2004 a sustainability plan was adopted as part of the Government's wider sustainability policy. The goal of the sustainability plan was to integrate the concepts surrounding sustainability into each and every activity of the Department.

The Department's three year sustainability plan is on target with a number of goals and improvements already having been achieved in accordance with the Western Australian Government's sustainability objectives.

*OBJECTIVE ONE: Planning, decision making and reporting are conducted in accordance with sustainability principles.*

The Department is committed to ensuring our activities are aligned with the goals and outcomes contained in the *Better Planning - Better Services* framework and the sustainability principles and practices of the State Governments sustainability strategy.

In all strategic planning and decision making, we incorporate the principles of sustainability where appropriate so that we can contribute to the future of Western Australia in a positive way.

*OBJECTIVE TWO: Agency operations support sustainability.*

A water audit is being undertaken as a joint project with other Government agencies within our tenancy. This report will provide recommendations we will be able to implement to achieve efficiencies in this area.

A full energy audit has been undertaken and as a result the re-lamping of all office areas is underway. This will significantly reduce our energy usage in line with the Government's Energy Smart initiative.

An increased emphasis on occupational health and safety has seen a continuous improvement in risk identification, control and training in this area.

We have provided a suite of online functions for the community. This reduces the need for travel to our Perth Office, but instead makes available a remote link to our services.

We have installed a Storage Area Network facility for our computer servers which have been substantially virtualised in an attempt to reduce energy consumption by reducing the number of physical servers in use.

The integration of the Department's EDMS system with its core Court Management System has enabled a greater access to stored documents alleviating the need for paper copies of documents.

Timers have been installed on heavy energy using equipment to program periods of inactivity and therefore reduce energy usage.

*OBJECTIVE THREE: Public sector employees are encouraged and empowered to support sustainability.*

Staff awareness of their contribution to sustainability has been increased by a continual and heightened focus being placed on the part each of us play in the sustainability process.

Secure facilities have been provided for bicycle storage which has encouraged staff to consider alternative means of travel to and from work.

As a result of actively encouraging staff to volunteer in community activities, our Information Technology team are now involved with various community groups and assisting in a range of IT related support aspects.

## EQUAL EMPLOYMENT OPPORTUNITY

The Department is committed to the principles of equal opportunity in the workplace. Staff awareness is maintained by circulating materials of interest to all staff and encouraging staff to attend forums and seminars presented by the Office of Equal Employment Opportunity.

In the past twelve months, staff awareness raising sessions have also been provided in the identification and prevention of Bullying and Workplace Harassment, reinforcing our commitment to providing a safe and harmonious working environment.

In support of the Government's priority to increase the diversity of the public sector workforce at all levels, the Department has established performance targets for:

- Improved distribution of women, particularly in management positions.
- Improved representation at all levels for Indigenous Australians, people from culturally diverse backgrounds and people with disabilities
- Increased representation of youth.

The following table shows our performance in each of these areas since 2003. In 2006 we were able to exceed the agency established target, however, we have identified areas where improvements can still be made and it is our plan to target these areas in our future recruitment strategies.

Diversity Group	2003	2004	2005	2006	Agency Target
% of women represented in management	47%	53.3%	53.3%	58.3%	44.4%
% of people from culturally diverse backgrounds in the workforce	13.8%	13.3%	8.3%	10.9%	6.7%
% of people <25 years of age in the workforce	9.2%	9.1%	7.7%	12.7%	5.5%

## CORRUPTION PREVENTION

The Department has developed a Code of Conduct which outlines and sets a high standard of conduct which is in line with public expectations of integrity and accountability. This is available to all staff and forms part of the induction process for new employees. The document clearly outlines the consequences of non-compliance and presents information and direction for the reporting of misconduct or corrupt behaviour.

The Code of Conduct booklet includes guidelines on accepting gifts or favours, conflicts of interest and disclosure of confidential or sensitive information. It also addresses the need to apply ethical standards in regards to purchasing, use of resources and general behaviour.

A comprehensive guide is provided in regards to the area of information technology, covering aspects of acceptable computer and internet usage, including remote access to the Department's computer network.

We continue to identify, analyse, evaluate and manage all risks through internal policy, communication and Business Continuity Planning. The Department has an Internal Audit Committee who ensure all activities of the Department are reviewed in accordance with Departmental policies by our Internal Auditor Company (a private contractor) to ensure compliance and prevent misconduct. Internal controls are in place to address issues of potential fraud and corruption and these controls are subject to audit review and assessment. Both internal and external audit assessments in 2005/2006 confirmed that adequate internal controls exist to prevent fraud or corruption at agency level.

We will continue to develop our risk management tools to ensure risks of misconduct and corruption are incorporated in the overall risk management plan of the Department and are adequately addressed and managed.

## PUBLIC INTEREST DISCLOSURE

To meet its obligations under the *Public Interest Disclosure Act 2003*, the Department has:

- Appointed the occupant of Deputy Registrar Operations as the person responsible for disclosures of public interest information; and
- Developed and published procedures for public disclosures.

In 2006/2007 workshops will be presented to all staff in an effort to raise awareness and understanding of the provisions, requirements and obligations of the Public Interest Disclosure Act. The resources provided by the Office of the Public Standards Commissioner will be used to facilitate these workshops which will be designed to ensure all staff are familiar with the Public Interest Disclosure processes. No public interest disclosures were received during 2005/2006.

## PRICING POLICIES ON SERVICES

The Department has discretion to charge for services rendered subject to Ministerial approval. All pricing and costing is undertaken in accordance with Premier Circulars.

## PUBLICATIONS

The Department publishes the Western Australian Industrial Gazette on a monthly basis. Additionally, our website publishes a wealth of useful information including the Department's Annual report and the Chief Commissioner's Report.

## PURCHASING

In all our purchasing, the department seeks to meet best practice purchasing outcomes by

- ensuring suppliers are offered a level field of opportunity to do business,
- the assessment of any quotation or tender is fair, unbiased and professional and
- that wherever possible feedback is available on the assessment and selection of suppliers.

In 2005/2006 our purchasing was made with the aim of fulfilling the key principles for achieving the best value for money for expenditure from taxpayer funds.

Where possible the Department involves itself in Government wide buying projects.

This agency has conducted and managed its purchasing and contracting activities in accordance with State Supply Commission and the Government's Policy requirements. At the time of writing we are not aware of any instances where this has not occurred or circumstances that would render this report misleading or inaccurate.

## CHANGES IN WRITTEN LAW

Any changes to written law had minimal effect on our operations during 2005/2006. Various changes to the Commission's regulations had some impact on officers, by delegating certain responsibilities and authority as envisaged by s96 of the Industrial Relations Act. The *Labour Relations Reform Act (2002)* which was proclaimed during 2002/2003 continues to have a significant affect on our services and operations.

In addition, new Industrial Commission Regulations came into effect on 1 September 2005 which streamlined procedures and allow for on-line lodgement and serving of documents.

A number of amendments to the Industrial Relations Act 1979 came into effect on 22 September 2005. These amendments facilitate the operations of the Commission by:

- enabling an acting appointment of the President for a period of up to two years;
- enabling the Governor to both extend a Commission member's period of office and appoint a new member to that office in prescribed circumstances;
- designating the Chief Commissioner as administrative head of the Commission;
- clarifying that the Chief Commissioner may reconstitute the Commission once proceedings have commenced;
- enabling the Chief Commissioner to delegate any of his powers or duties under the IR Act to another Commissioner member; and
- clarifying that Industrial Inspectors may use their investigation powers under the IR Act for the purposes of the *Minimum Conditions of Employment Act 1993* (MCE Act), or any other Act that confers functions on them.

## MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

## **COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES**

### **PUBLIC SECTOR MANAGEMENT ACT 1994 SECTION 31(1)**

In the administration of the Department of the Registrar, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and the Department's Code of Conduct.

#### **Compliance with Human Resource Management Standards**

To ensure employee awareness of the standards and the claim process, information is included in induction material provided to new staff. Links to the standards are also available for all staff on the Department's intranet. The Standards are applied to all Departmental practices and policies.

The Human Resources Manager undertakes a monitoring and advisory role in relation to compliance with the standards. The Human Resources Manager also undertakes an internal consultancy role in all aspects of human resource management including compliance with standards.

In relation to recruitment, the Department provided application packages for each position. Each applicant was provided with a copy of the Public Sector Standards in Human Resource Management relating to recruitment, selection and appointment.

During the year there were no breach claims against any of the Public Sector Standards in Human Resource Management.

#### **Compliance with Code of Ethics and Code of Conduct**

The Public Sector Code of Ethics and the Department's Code of Conduct continued to be communicated to staff through the induction process and on the Department's intranet. Departmental policies are consistent with ethical principles and codes.

The Human Resources Manager is available to provide advice and direction to all staff on issues relating to Code of Ethics and Code of Conduct. Developmental opportunities are provided to all Managers with the aim to improving their leadership skills and raising awareness of the value of personal integrity, pride and ethical behaviour.

In 2006/2007 our Code of Conduct will undergo a review which will include staff consultation, giving staff the opportunity to provide input with the intention of encouraging staff awareness and ownership of the Code of Conduct.



John Spurling  
Chief Executive Officer

## **REPORT ON OPERATIONS**

### **REGISTRY**

The primary role and purpose of the Registry for the Department is to provide administrative support and assistance in the lodgement and processing of applications for the Western Australian Industrial Relations Commission.

In addition the Registry provides services for the lodgement, registration and processing of all applications to the:

- Industrial Magistrate's Court;
- Industrial Appeal Court;
- Occupational Safety and Health Tribunal; and
- Australian Industrial Relations Commission.

During 2005/2006, four Registry officers maintained a public reception area from 8.00 am to 5.00 pm daily and processed 2143 applications.

Customer feedback from our annual survey provided a very positive assessment of our services. More than 80% of the total surveyed rated our Registry service as 'excellent' and 43% indicated our service had improved significantly over the preceding 12 months. We were also encouraged by a number of individual comments of appreciation and support for the service we provide.

The Federal Government's Workplace Relations Amendment (Work Choices) Act 2005 affected major changes to the Workplace Relations Act 1996. These changes, inter alia, sought to limit the ability for employees to lodge unfair dismissal claims. Since the changes became fully operative on 27 March 2006 there has been a noticeable change in the total number of matters handled by Registry.

Industrial Relations Commission Regulations 2005 commenced on September 1<sup>st</sup>, 2005 replacing Industrial Commission Regulations 1985. The new Regulations streamlined a number of processes and allowed for online lodgement of applications. A total of 84 lodgements were processed online.

During the year we have continued to work, in consultation with the Chief Commissioner, on improving administrative procedures to expedite the processing of claims alleging unfair dismissal and denied contractual benefit in order to reduce the time taken between lodging an application and appearing before the Commission.

## AUSTRALIAN INDUSTRIAL REGISTRY

The Australian Industrial Registry contracts with the Chief Executive Officer, to provide Registry services for the Australian Industrial Relations Commission (AIRC) in Perth.

The contract has been in operation since July 1999 and has provided a seamless and efficient service to the industrial relations community. A Deputy Registrar has the daily responsibility for the management of the Australian Industrial Relations Registry functions and liaises with our Federal counterparts and Members of the Australian Industrial Relations Commission.

The current contract term has been extended for a further 6 month period to allow both Western Australia and the Commonwealth to assess the impact of the recent legislative changes that have altered the operation and jurisdiction of the AIRC.

## EMPLOYER EMPLOYEE AGREEMENTS

Employer – Employee agreements (EEAs) were introduced with effect from 15 September 2002. An EEA is a voluntary individual employment agreement between an employer and an employee which covers working arrangements, pay and conditions.

A number of tests must be satisfied before an EEA can be registered, including the requirement that the EEA passes a “No Disadvantage Test” (NDT) which is intended to ensure that the employee is not, on balance, disadvantaged in relation to the terms and conditions of employment when compared to the relevant award. The Registrar has formally delegated responsibility to a Deputy Registrar for the management and registration of EEAs.

The following information relates to the 2005/2006 year

EEAs Meeting Lodgement Requirements	75
EEAs Not Meeting Lodgement Requirements	6
Total number of Applications Received in Period	81

Refused	16
Registered	47
Withdrawn	10
Total Number of EEAs Finalised in Period	73

## RIGHT OF ENTRY CARDS

The Labour Relations Reform Act (2002) established a "Right of Entry" into workplaces for persons who have been nominated by a secretary of a registered organisation. The right is exercised through the use of an ID card issued by the Registrar authorising entry to workplaces for specified purposes.

Since August 2002, 640 Right of Entry cards have been issued. Information on card cancellations or revocation can be found in the Chief Commissioners' Annual report. The Department undertakes an audit of Right of Entry cards every six months as required under regulation 94(B)(10) of the Industrial Relations Commission Regulations 1985.

## PUBLICATIONS AND AWARDS

The Publications and Awards is responsible for the preparation and publication of the Western Australian Industrial Gazette (WAIG).

In addition, this section is responsible for providing information and awards services to the Commission and maintaining electronic records of all State Awards and Industrial Agreements. This information is available to the public via the Department's website and the Industrial Gazette.

During this period the section managed the functions of archived award information to enquirers. The Team Leader had responsibility for administering Industrial Appeal Court matters and various matters relating to the harmonisation contract with the Australian Industrial Registry.

The section also monitors and maintains the Commission's website content and assists with data acquisition and publication of the Chief Commissioner's Annual Report. The section hosted various groups that visited the Commission during the year and undertook research projects as required. The staff actively support the Registry service to the Australian Industrial Relations Commission, Records section and in the Department's telephone call centre.

During 2005/2006 the section provided work experience for two undergraduates and managed and mentored two Public Service Trainees.

## WESTERN AUSTRALIAN INDUSTRIAL GAZETTE

Section 93 of the Industrial Relations Act 1979 requires the Registrar to publish an Industrial Gazette (WAIG) containing the matters prescribed in Schedule 1 of the Industrial Relations Act.

The Gazette is freely available on the State Law Publisher's website and a link exists on the Commission's website to facilitate parties' access. Online Gazettes are available back to 1996.

During 2005/2006, 16 editions of the Gazette and 2 Appendices, totalling 4425 pages, were prepared 'in-house' and published by the State Law Publisher at the direction of the Registrar and in line with all notices and matters set out in Schedule 1.

The production of the Western Australian Industrial Gazette is now substantially automated. The excellent work of the Gazette staff and the valued cooperation and assistance of the management and staff of the State Law Publisher has enabled us to realise significant savings in the cost of producing the Gazette. Since 1998/1999 production costs have declined by 97.4% and costs per page have declined from \$31 per page to \$1.06 per page.

## AWARDS

A program of reviewing all state awards continued throughout the period with the ongoing efforts of the awards staff and the assistance and co-operation of the following: Unions WA and affiliates; the Chamber of Commerce and Industry; the Australian Mines and Metals Association; the Department of Consumer and Employment Protection - Labour Relations Division; and our Information Technology Branch.

As at 30 June 2006, 2637 Awards and Agreements were being maintained on behalf of the Registrar. All awards are maintained in consolidated form on the Commission's website as is a summary of 'Awards/Agreements matters concluded' for a user-nominated date range. The section also deals with award enquiries and award back-rate enquiries in relation to State Awards and, when required, Federal Award enquiries.

Approximately 2800 back-rate enquiries were dealt with during the period. 248 new agreements were processed together with 8 cancellations of Awards, 8 new awards and 119 award variations, with relevant notices being prepared for both the Commission's website and the Industrial Gazette.

Enquiries were received from the general public, employers, practitioners, students and Government Departments. The general types of enquiries range from checking for current and historical rates of pay, workers compensation claims and child support calculations.

## GENERAL ORDERS

The section carried out preparatory work and communications with persons and organisations named in s50 (Industrial Relations Act) in regard to the 2005 and 2006 Location Allowance General Orders.

The section also assisted the Commission in the production and application of General Orders relating to the 2005 State Wage Case and the 2006 General Orders Wage Case Decision.

## LIBRARY

The role of the Western Australian Industrial Relations Commission Library is to maintain and provide a comprehensive industrial and legislative library and information service for the Commission and staff. The Library provides a current, accurate and timely information service through its reference and research service, and the maintenance of its collection.

### NEW DEVELOPMENTS AND RESOURCES

In keeping with the Library's policy of continually improving electronic delivery of information, three online databases purchased last year on a twelve months' trial have been evaluated and a decision made to purchase them on an ongoing basis as they have proved to be valuable tools for legal research. As with the other electronic databases purchased by the Library, these databases are available to staff to use from their desktop and provide a fast and effective method to search and access relevant legal material.

A further current awareness alerting email service was purchased during the year to aid in keeping abreast of the significant and numerous changes to industrial relations as well as occupational health and safety issues. This service also provides in-depth articles by legal professionals on recent changes to the Federal Work Choices and other associated legislation.

A project of compiling, organising and indexing a database of legal precedents for use by the Commissioners and Deputy Registrars of the Commission was commenced. Once completed additional precedents will be added on an ongoing basis as and when they become available. All precedent citations are hyperlinked to the full text of the decision, allowing the user to search and access relevant precedent law from their desktop.

As part of this Precedents project, a large number of decisions, which were not available electronically, were scanned and saved. A recently acquired copier-scanner, which is located in the Library and shared with the Information Technology section, has significantly reduced scanning times and provides improved image quality.

Further improvements to the Library include the installation of an updated computer for use by members of the public to assist them in their electronic research. In the near future, it is also planned to install a further computer specifically modified for use by sight-impaired library users. Wheelchair access to the library and the existing and new computers is, and will continue to be, available.

After a period of over ten years, the Library has recently been repainted and some new prints purchased to provide a fresh and welcoming environment for staff and Library users.

## PROMOTIONAL ACTIVITIES

The Library hosted the Australian Industrial Relations Commission's Centenary Exhibition in October/November 2005 as part of the exhibition's year long national tour. The exhibit dealt with the development of conciliation and arbitration over the past one hundred years since the establishment of the Commonwealth Court of Conciliation and Arbitration in 1904. The physical display of texts and images was supplemented by electronic biographies, full text legislation, significant decisions and timeline available through monitors placed adjacent to the exhibit.

The exhibition was officially opened in the Library on the 18<sup>th</sup> October 2005 by Justice Giudice, the President of the Australian Industrial Relations Commission. The opening was attended by a variety of people including past and present State and Federal Commissioners, union and employer group representatives, academics and members of the legal fraternity.

## LIBRARY STAFF

The Library is staffed by a full time Library manager and one Library technician position. Since August 2004 a stable and permanent job share arrangement has been in place for the library technician position. This settled arrangement has allowed for more advanced training of the technicians and resulted in the enhanced running of the library.

## LOOKING FORWARD

During the coming twelve months the Library Manager plans to expand the training programmes for the electronic databases currently purchased in order to enhance legal research in the Commission. To ensure a more effective use of electronic Library resources, all chambers will have individual training sessions tailored to their specific needs.

## CORPORATE SERVICES

The Corporate Services Division provides business support to the Department and the Western Australian Industrial Relations Commission.

## FINANCIAL MANAGEMENT

Our Finance area continues to provide key financial and performance accounting measures to Management to assist in future planning and direction of the Department and its resources. The provision and maintenance of this information has extended and enhanced the focus of the Finance team from that of the collection and storage of financial information to incorporate the presentation and interpretation of key performance data.

This year we were once again acknowledged in the Auditor General's report to parliament for submitting good quality financial statements and performance indicators, supported by reliable working papers, well in advance of the statutory due date. This is the third consecutive year we have been named as a 'better practice agency' for timeliness and quality.

## RISK MANAGEMENT

In accordance with Treasurers Instructions and the Australian Standard *AS4360 Risk Management*, government agencies are required to have an effective risk management process documented and in place. The Department has taken steps to improve our risk management program in 2005/2006 with the aim being to develop a high level framework for management.

Work on the framework will continue through 2006/2007 and will include improvements to the existing management tool used for capturing, reviewing and monitoring all risks to the Department.

## TRANSITION TO SHARED SERVICES

Our Corporate Services section has been working closely with the Office of Shared Services (OSS) as we move towards a successful implementation of the shared corporate services.

The Corporate Services team are assessing the extent of their new role under the Shared Services arrangement and ensuring the data to be transferred is accurate. Training of all staff will be undertaken and a complete suite of new procedures and guidelines will be prepared where required.

Our staff have learnt from staff consultation, participating on committees, working parties and selection panels the best way for a hassle free migration to the new systems.

## INTERNET

Throughout 2005/2006 extensive progress has been made on making the Commission more accessible through its online presence.

An online application system is now available to assist parties make a variety of online applications for the majority of Commission applications. Applications can be lodged online as well as paid for via an electronic gateway. Parties are provided copies of all documents lodged in this way in a format that is flexible but resembles its paper counterpart.

2006 also saw a successful implementation of video streaming via the web. The 2006 General Order Wage Case was transmitted over the web and viewed by people throughout Australia. This technology was leveraged of the previous years investment in digital court recording equipment and proved to be both inexpensive and popular.

A kiosk solution has been developed to enable remote users of the Commission to access all the facilities available in the Registry remotely. In this a user can access a remote kiosk to have a face to face conversation with a member of the Registry staff who will assist that user with their enquiry and can step them through the process of making an online application. The Kiosk will first be trialled in Karratha and it is hoped that it can be rolled out to other locations throughout 2007 if the trial proves successful.

## DEVELOPMENT

Through the year a new system “Emerald” was developed to track all output from the Commission and process it in a way that with minor input from an operator, the Industrial Gazette can be generated automatically. The Emerald system potentially can reduce operation costs as well as significantly reduce the time it takes to prepare a Gazette. The Emerald system has generated several of the Gazettes published in 2006.

Issues surrounding the Apophyllite system, led to a significant revisioning and redevelopment from which a new system “Crystal” emerged. Crystal is designed to deliver the benefits of an XML encoded award system thus enabling rapid amendment of awards in the event of a General Order. The Crystal System was successfully used for the 2006 General Order Wage Case. It is hoped to expand this system to include online subscription services in 2007 that will enable an automatic notification of award amendments to interested parties.

With the changes associated with the introduction of the federal “Work Choices” legislation, a greater emphasis has been placed on measuring performance, work flow and general productivity throughout the organization. As a consequence Reporting Services have been implemented to provide management and the Commission with an up to date view of current workloads as well as a statistical analysis of trends.

## INFRASTRUCTURE

A unified messaging system has been procured to enable greater integration between the voice system and email system. Integration of these systems should be complete by the end of 2006. This system will complement our earlier investment in portable “Blackberry” devices late last year. Together these systems will provide an unprecedented level of access to and communication with Commission members as well as other key departmental personnel.

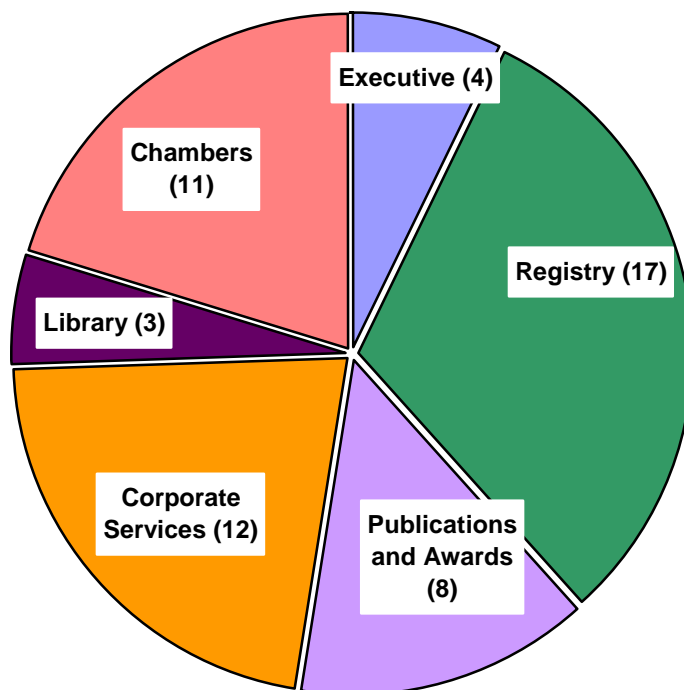
Throughout 2006 the desktop and notebook infrastructure is being refreshed. The selected equipment will provide greater stability, efficiency and reduce overall power consumption. It is anticipated this process will complete by the end of the 3<sup>rd</sup> quarter.

## HUMAN RESOURCES MANAGEMENT

### STAFFING

At 30 June 2006 our reported staffing level was 55 Full Time Equivalents (FTE). This figure does not include Commission members and their Associates.

The following shows the distribution of the FTE across the Department:



### EMPLOYEE PROFILE

This year saw a slight reduction in the staffing as the department sought to manage vacancies internally where possible.

The number of contract staff has been minimised in line with Public Sector Management Policy and mainly used to cover project work of a finite nature and extended leave situations. As at 30 June 2006 we employed three contract staff.

Five staff were on secondment to other Government agencies and one person was seconded into our agency from another Government Department.

### RECRUITMENT

Twelve new employees were recruited during the year and 11 staff ceased employment with us. The Department's youth and culturally diverse demographic profiles were enhanced as a result of the recruitment.

## EMPLOYMENT CONDITIONS

The employment terms and conditions of the majority of the Department's staff continue to be covered by the Public Service General Agreement and the Public Service Award.

## CAREER AND PERSONAL DEVELOPMENT

The Department is committed to providing training and developmental opportunities for staff. We encourage a learning environment and provide reasonable access and opportunities for all staff. Staff are given the opportunity to study part-time in line with Departmental policy and attend training courses, seminars and conferences.

During 2006 the department demonstrated a renewed commitment to the training and personal development of all employees.

A survey was conducted asking individuals to identify personal training needs and as a result the department was able to target employee identified needs in training. The survey responses were analysed to determine specific areas and levels of training required. In consultation with an external training provider, we were able to tailor courses that addressed the training needs of our staff. This resulted in approximately 50% of employees attending courses specifically designed to enhance their skills in word processing and spread sheet applications.

Developmental and learning courses designed for Managers and leaders have been well supported this year as we encourage individuals in their personal and professional growth.

All staff were provided training in Records Management software. Two staff gained the Certificate Four in Training with the assistance of the Department, this is expected to enhance in house training activities.

The Department arranged awareness sessions in the identification and prevention of bullying and workplace harassment and separate sessions addressing a managerial focus were held for supervisors and managers.

This year, we also engaged the services of an Independent Disability Consultant to provide disability awareness workshops for all staff. These workshops were well received and increased awareness and understanding of relevant disability issues for all staff across the Department.

## OCCUPATIONAL SAFETY AND HEALTH

The Department had no compensation claims during the year.

Our Occupational Safety and Health (OSH) committee is made up of staff and management representatives who continue to meet regularly and discuss matters pertaining to education and awareness of issues for all departmental staff. Members of the committee attend relevant training courses and their increased knowledge continues to benefit the department.

All employees are able to request a personal workplace ergonomics consultant to visit their work station, especially those who experience any physical complications or symptoms caused by their work environment. On recommendation of the OSH Committee, assessment of individual's workplace ergonomic needs has been incorporated into all new employees' inductions.

The number trained in First Aid has been increased during the year and as a result the number of designated First Aid Officers appointed and provided with appropriate training through St John Ambulance is currently 33% of the workforce.



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**DEPARTMENT OF THE REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL  
RELATIONS COMMISSION  
FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS  
FOR THE YEAR ENDED 30 JUNE 2006**

#### Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Department of the Registrar, Western Australian Industrial Relations Commission at 30 June 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the Department provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key effectiveness and efficiency performance indicators of the Department are relevant and appropriate to help users assess the Department's performance and fairly represent the indicated performance for the year ended 30 June 2006.

#### Scope

The Chief Executive Officer is responsible for keeping proper accounts and maintaining adequate systems of internal control, for preparing the financial statements and performance indicators, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Schedule of Expenses and Revenues by Service, Summary of Consolidated Fund Appropriations and Income Estimates, and the Notes to the Financial Statements.

The performance indicators consist of key indicators of effectiveness and efficiency.

Service 2 "Conciliation and Arbitration by the Western Australian Industrial Relations Commission" relates to the Commission established under the Industrial Relations Act 1979. As the Commission is an affiliated body and not subject to the operational control of the Department, key efficiency performance indicators are not reported for the Commission by the Department.



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**Department of the Registrar, Western Australian Industrial Relations Commission  
Financial Statements and Performance Indicators for the year ended 30 June 2006**

*Summary of my Role*

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and performance indicators.



D D R PEARSON  
AUDITOR GENERAL  
9 August 2006



## ***PERFORMANCE INDICATORS***

### **CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2006**

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Department of The Registrar, Western Australian Industrial Relations Commission and fairly represent the performance of the Department of the Registrar, Western Australian Industrial Relations Commission for the financial year ended 30 June 2006.



John Spurling  
**ACCOUNTABLE OFFICER**

31 July, 2006

## PERFORMANCE ASSESSMENT

The Department's mission is *"to support the Western Australian Industrial Relations Commission to provide our community with a means of preventing and resolving conflict in respect to industrial matters"*.

Our agency level outcome supports the following Government Strategic Goal:

**"To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth".**

The Department contributes to the Government's strategic goal by ensuring the Western Australian Industrial Relations Commission (WAIRC) has the necessary resources to effectively prevent or resolve disputes between employers and employees. With an effective and efficient means to resolve employment relationship conflicts, the community is able to devote its means of production more directly to opportunities for investment and growth leading to greater wealth for Western Australians.

## KEY EFFECTIVENESS INDICATOR

**Outcome: The prevention and resolution of industrial relations matters.**

The Government requires that there be an effective means for preventing or resolving employment disputes between employers and employees. It established the WAIRC for this purpose and the Department of the Registrar is required to ensure the WAIRC has the necessary resources to achieve its purpose.

The measure of effectiveness is identified as:

*"Percentage of employers, employees, representatives and Commission members satisfied with the service provided by the Department of the Registrar in relation to timeliness and accuracy and relevance of information".*

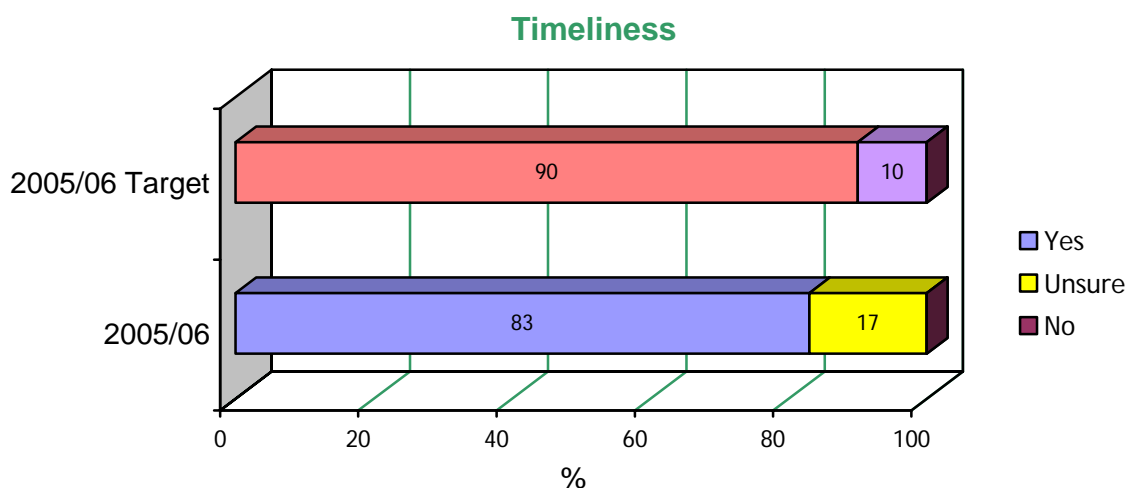
The quality of the service provided by the departmental officers significantly affects the ability of the Commission to effectively perform its role. The services provided to the WAIRC include registry services, support staff, administrative services and infrastructure facilities.

The quality and efficiency of the services provided by the staff assists or impedes the WAIRC in performing its role. Persons seeking to lodge matters in the Commission seek information from staff as to procedures and processes. This information provided must be relevant, accurate and delivered in a timely manner to ensure the Commission is able to perform its role more effectively.

The Department sought feedback from those parties who have dealings with us throughout the year using a survey. The survey was conducted electronically and through mail outs as well as by seeking responses from individuals who attended our office. The purpose of the survey was to obtain feedback from external parties on the quality of the service we provide.

The survey sample consisted of 145 parties or persons including individuals, representative bodies of employers, employees and government agencies. Of those surveyed, 112 responded. This gives a maximum associated sample error of +/- 4.43 per cent at the 95 per cent confidence interval. This means we are 95 per cent confident that the sample results are representative of the population within a +/- 4.43 per cent range.

The following graphs were compiled from responses to the client surveys. The parties were asked to rate our service on a scale of one to five, where five represents an excellent level of service and one equates to a poor rating. A rating of five or four was considered equivalent to a "Yes" response.



**Figure 1**

Timeliness is a key indicator in that it demonstrates that the systems, procedures and resources are in place to deliver a reasonable and acceptable service to the community. Services must be delivered in a timely manner to meet customer service standards but not so as to impede the role of the Commission.

Our customers were asked to indicate their level of satisfaction with the time taken to respond to their needs in all situations, including telephone enquiries, attendance at our office and the timely provision of relevant documentation and instructions.

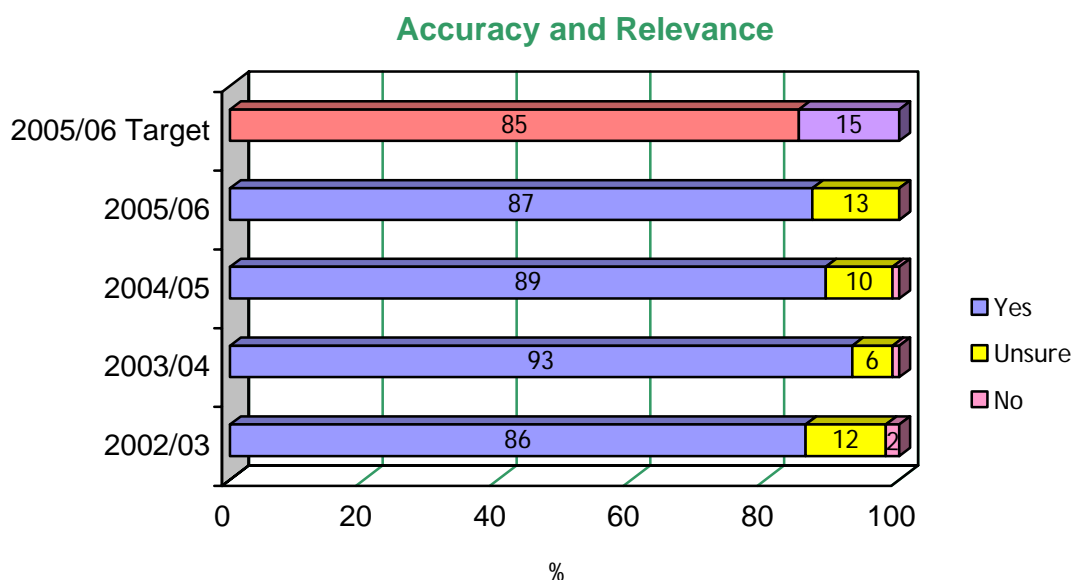
The survey results indicate a high level of satisfaction in the timely response by officers of the Department although it was slightly below our target in this area. (Refer Figure 1).

The Department is unable to provide comparative data for previous years in this area as it has not previously been included as a key effectiveness indicator.

The ability to conduct our business accurately is crucial in enabling the Commission to effectively perform its role. It is imperative that we strive to ensure all documentation and information provided to our customers is accurate and relevant. Accuracy and relevance is a key indicator as the community relies on this information to assist in preparation and presentation of their matter before the Commission.

Our customers were asked to assess our service in regards to the relevance of information provided to them and how well this information was explained and presented. Customers were asked how accurate and up to date the documentation was and to what extent it met their individual requirements.

The survey results indicate a high level of satisfaction in the accuracy and relevance of the information provided to our clients. (Refer figure two).



**Figure 2**

While the 2005/06 result of 87% met our target in this area, we continue to identify avenues to maintain and improve these results. Our intention is to place a high emphasis on staff training in an attempt to improve our service delivery.

Recent Federal legislative changes have created a confusing industrial relations environment which in turn has contributed to consumer uncertainty, notwithstanding information conveyed by staff.

The Department is unable to provide comparative data for previous years in this area as it has not previously been included as a key effectiveness indicator.

## KEY EFFICIENCY INDICATOR

### Service 1

#### **Support to the Western Australian Industrial Relations Commission and Industrial Magistrates Court.**

Service Description:

***“To provide effective and efficient support to the Western Australian Industrial Relations Commission and the Industrial Magistrates Court which allows those tribunals to provide the community with an efficient means of preventing or resolving industrial relations matters”.***

For 2005/06, the total cost of this service is \$5,072m. In 2004/05 the reported cost of this service was \$4,729m.

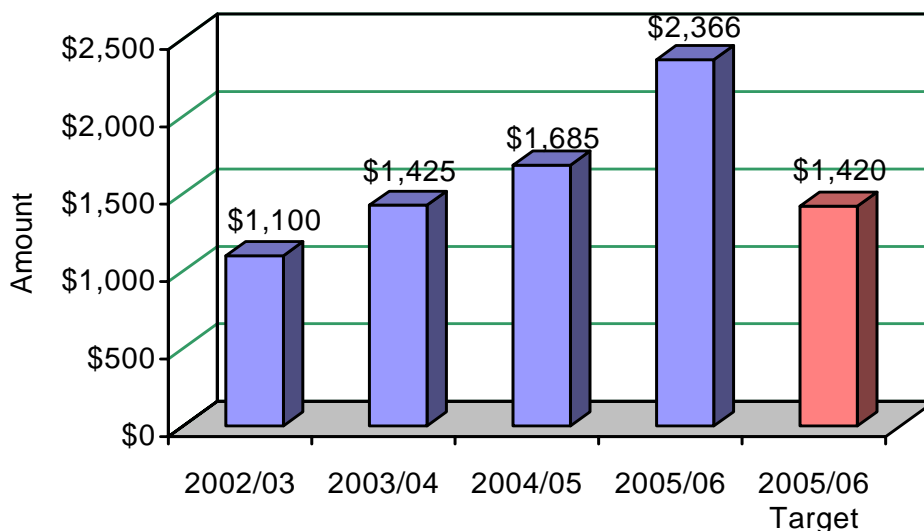
The efficiency of this service is measured by

*“the average cost per application registered and recorded”.*

For the outcome of a service that supports the Western Australian Industrial Relations Commission in resolving industrial relations matters, it is important that the registry services are provided on a value for money basis.

Figure 3 measures the cost per application. It is derived by dividing the total cost by the number of applications received.

### Cost Per Application



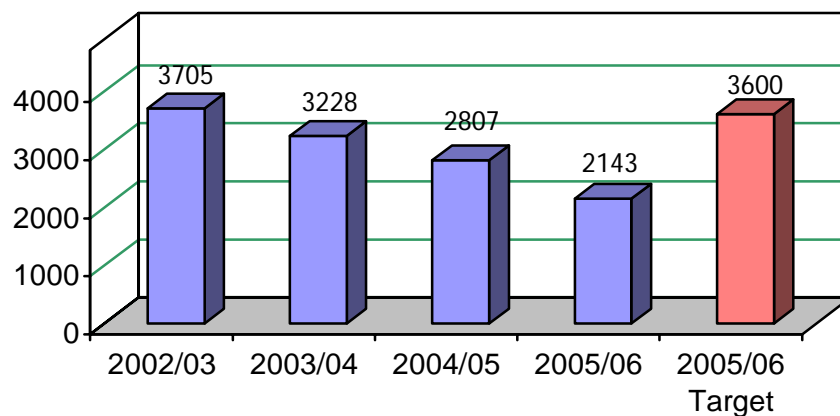
**Figure 3**

This measure is directly affected by legislative changes as Commission administrative arrangements alter their procedures for processing different types of applications. In addition the Department has no capacity to influence the number of applications lodged.

The figure established as the “target” for 2005/06 was not met because the number of applications lodged was 40% less than expected. There has to be a minimum level of infrastructure in place to receive and process even a few applications.

For the period 2005/06 the number of applications, complaints and Employer Employee Agreements (EEAs) received was 2143. Figure 4 represents the number of applications received for the previous 4 reporting periods.

**Number of Applications Received**



**Figure 4**

## **Service 2**

### **Conciliation and Arbitration by the Western Australian Industrial Relations Commission.**

This service represents the activities of the Independent Court and Tribunal

As defined in section 3 of the Financial Administration and Audit Act (1985) and Treasurer's Instruction 951, the Commission is an Affiliated Body of the Department and is serviced by the Department. The Commission relies on the Department to manage its financial affairs but is not subject to any form of operational control by the Department and acts independently.

The Department does not report on the performance of the Commission and this service.

## **FINANCIAL STATEMENTS**

### **CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

The accompanying financial statements of the Department of the Registrar, Western Australian Industrial Relations Commission 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 ending 30 June 2006 and the financial position as at 30 June 2006.

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.



John Spurling  
ACCOUNTABLE OFFICER



Sadie Godfrey  
CHIEF FINANCE OFFICER

31 JULY 2006

# INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2005/06 \$000	2004/05 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	5	6,019	5,473
Superannuation	6	791	696
Supplies and services	7	1,602	1,602
Depreciation and amortisation expense	8	316	198
Accommodation expenses	9	1,541	1,503
Other expenses	10	236	468
Loss on disposal of non-current assets	11	1	-
Total cost of services		10,506	9,940
<b>Income</b>			
<b>Revenue</b>			
User charges and fees	12	378	422
<b>Total revenue</b>		378	422
<b>Total income other than income from State Government</b>		378	422
<b>NET COST OF SERVICES</b>		10,128	9,518
<b>INCOME FROM STATE GOVERNMENT</b>	13		
Service appropriation		10,583	10,125
Liabilities assumed by the Treasurer		151	33
Resources received free of charge		6	23
<b>Total income from State Government</b>		10,740	10,181
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		612	663

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

**BALANCE SHEET  
AS AT 30 JUNE 2006**

	Note	2005/06 \$000	2004/05 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	14	916	574
Receivables	15	167	123
Amounts receivable for services	16	150	150
Other current assets	17	347	297
<b>Total Current Assets</b>		<b>1,580</b>	<b>1,144</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	18	25	-
Amounts receivable for services	16	561	252
Property, plant and equipment	19	524	384
Intangible assets	20	313	421
<b>Total Non-Current Assets</b>		<b>1,423</b>	<b>1,057</b>
<b>TOTAL ASSETS</b>		<b>3,003</b>	<b>2,201</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Provisions	22	1,990	1,843
Payables	23	63	62
Other current liabilities	24	92	-
<b>Total Current Liabilities</b>		<b>2,145</b>	<b>1,905</b>
<b>Non-Current Liabilities</b>			
Provisions	22	291	341
<b>Total Non-Current Liabilities</b>		<b>291</b>	<b>341</b>
<b>TOTAL LIABILITIES</b>		<b>2,436</b>	<b>2,246</b>
<b>Net Assets/(Liabilities)</b>		<b>567</b>	<b>(45)</b>
<b>EQUITY</b>			
Contributed equity	25	495	495
Reserves		15	15
Accumulated surplus/(deficiency)		57	(555)
<b>Total Equity</b>		<b>567</b>	<b>(45)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,003</b>	<b>2,201</b>

The Balance Sheet should be read in conjunction with the accompanying notes.

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006

	Note	2005/06 \$000	2004/05 \$000
<b>Balance of equity at start of period</b>	35	(45)	(708)
<b>CONTRIBUTED EQUITY</b>	25		
Balance at start of period		495	495
Balance at end of period		495	495
<b>RESERVES</b>	25		
<b>Asset Revaluation Reserve</b>			
Balance at start of period		15	15
Balance at end of period		15	15
<b>ACCUMULATED SURPLUS (DEFICIENCY)</b>	25		
Balance at start of period		(555)	(1,218)
Surplus/(deficit) for the period		612	663
Balance at end of period		57	(555)
<b>Balance of equity at end of period</b>		567	(45)
Total income and expense for the period		612	663

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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Note</b>	<b>2005/06 \$000</b>	<b>2004/05 \$000</b>
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		10,124	9,915
Holding account drawdowns		150	-
<b>Net cash provided by State Government</b>		<b>10,274</b>	<b>9,915</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(5,828)	(6,099)
Superannuation		(642)	(651)
Supplies and services		(1,807)	(1,693)
Accommodation		(1,413)	(1,389)
GST payments on purchases		(370)	(321)
Other payments		(198)	(298)
<b>Receipts</b>			
User charges and fees		377	434
GST receipts on sales		33	40
GST receipts from taxation authority		290	336
<b>Net cash provided by/(used in) operating activities</b>	<b>26 (b)</b>	<b>(9,558)</b>	<b>(9,641)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets		2	-
Purchase of non-current physical assets		(351)	(263)
<b>Net cash provided by/(used in) investing activities</b>		<b>(349)</b>	<b>(263)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>367</b>	<b>11</b>
Cash and cash equivalents at the beginning of period		574	563
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>26 (a)</b>	<b>941</b>	<b>574</b>

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

**SCHEDULE OF INCOME AND EXPENSES BY SERVICE  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Services to the Western Australian Industrial Relations Commission and Industrial Magistrates Court.</b>		<b>Conciliation and Arbitration by the Western Australian Industrial Relations Commission.</b>		<b>Total</b>	
	<b>2005/06 \$000</b>	<b>2004/05 \$000</b>	<b>2005/06 \$000</b>	<b>2004/05 \$000</b>	<b>2005/06 \$000</b>	<b>2004/05 \$000</b>
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense	2,878	2,652	3,141	2,821	6,019	5,473
Superannuation	240	261	551	435	791	696
Supplies and services	988	833	614	769	1,602	1,602
Depreciation and amortisation expense	228	143	88	55	316	198
Accommodation expenses	616	601	925	902	1,541	1,503
Other expenses	121	239	115	229	236	468
Loss on disposal of assets	1	-	-	-	1	-
<b>Total cost of services</b>	<b>5,072</b>	<b>4,729</b>	<b>5,434</b>	<b>5,211</b>	<b>10,506</b>	<b>9,940</b>
<b>Income</b>						
User charges and fees	378	422	-	-	378	422
<b>Total income other than income from State Government</b>	<b>378</b>	<b>422</b>	<b>-</b>	<b>-</b>	<b>378</b>	<b>422</b>
<b>NET COST OF SERVICES</b>	<b>4,694</b>	<b>4,307</b>	<b>5,434</b>	<b>5,211</b>	<b>10,128</b>	<b>9,518</b>
<b>INCOME FROM STATE GOVERNMENT</b>						
Service appropriations	4,739	4,684	5,844	5,441	10,583	10,125
Liabilities assumed by the Treasurer	60	13	91	20	151	33
Resources received free of charge	3	11	3	12	6	23
<b>Total income from State Government</b>	<b>4,802</b>	<b>4,708</b>	<b>5,938</b>	<b>5,473</b>	<b>10,740</b>	<b>10,181</b>
<b>Surplus/Deficit for the period</b>	<b>(108)</b>	<b>(401)</b>	<b>(504)</b>	<b>(262)</b>	<b>(612)</b>	<b>(663)</b>

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

## SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS AND INCOME ESTIMATES FOR THE YEAR ENDED 30 JUNE 2006

	2005/06 Estimate \$000	2005/06 Actual \$000	Variance \$000	2005/06 Actual \$000	2004/05 Actual \$000	Variance \$000
<b>DELIVERY OF SERVICE</b>						
Item 54 Net amount appropriated to deliver services	8,507	8,407	(100)	8,407	7,867	540
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	2,462	2,176	(286)	2,176	2,258	(82)
<b>Total appropriations provided to deliver services</b>	10,969	10,583	(386)	10,583	10,125	458
<b>CAPITAL</b>						
Capital Contribution	-	-	-	-	-	-
<b>ADMINISTERED TRANSACTIONS</b>						
Administered grants, subsidies and other transfer payments	-	-	-	-	-	-
<b>Total administered appropriations</b>	-	-	-	-	-	-
<b>GRAND TOTAL</b>	10,969	10,583	(386)	10,583	10,125	458
<b>Details of Expenses by Service</b>						
Services to the WAIRC and Industrial Magistrates Court	5,115	5,072	(43)	5,072	4,729	343
Conciliation and Arbitration by the WA Industrial Relations Commission	5,349	5,434	85	5,434	5,211	223
<b>Total Cost of Services</b>	10,464	10,506	42	10,506	9,940	566
Less total income	(356)	(378)	(22)	(378)	(422)	44
<b>Net Cost of Services</b>	10,108	10,128	20	10,128	9,518	610
Adjustments	861	455	(406)	455	607	(152)
<b>Total appropriations provided to deliver services</b>	10,969	10,583	(386)	10,583	10,125	458
<b>Capital Expenditure</b>						
Purchase of non-current assets	150	351	201	351	263	88
Adjustments for other funding sources	(150)	(351)	(201)	(351)	(263)	-88
<b>Capital Appropriation</b>	-	-	-	-	-	-
<b>DETAILS OF INCOME ESTIMATES</b>						
Income disclosed as Administered Income	3	-	3	-	-	-

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

Note 28 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2006 and between the actual results for 2005 and 2006.

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

### 1. DEPARTMENTAL MISSION AND FUNDING

The Department's mission is to support the Western Australian Industrial Relations Commission to provide our community with a means of preventing and resolving conflict in respect to industrial matters.

The Department is funded by Parliamentary appropriation. The Financial Statements encompass all funds through which the Department controls resources to carry on its functions.

In the process of reporting on the Department as a single entity, all intra-entity transactions and balances have been eliminated.

### 2. FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

This is the Department's first published financial statements prepared under Australian equivalents to International Financial Reporting Standards (AIFRS). Accounting Standard AASB1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' has been applied in preparing these financial statements. The financial statements of the Department until 30 June 2005 had been prepared under the previous Australian Generally Accepted Accounting Principles (AGAAP).

The Australian Accounting Standards Board (AASB) adopted the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005 by issuing AIFRS which comprise a Framework for the Preparation and Presentation of Financial Statements, Accounting Standards and the Urgent Issue Group (UIG) Interpretations.

In accordance with the option provided by AASB1 paragraph 36A and exercised by Treasurer's Instruction (TI) 1106 'Transition to Australian equivalents to International Financial Reporting Standards', financial instrument information prepared under AASB 132 and AASB 139 will apply from 1 July 2005 and consequently comparative information for financial instruments is presented on the previous AGAAP basis. All other comparative information is prepared under the AIFRS basis.

#### Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. This TI requires the early adoption of revised AASB 119 'Employee Benefits' as issued in December 2004, AASB 2004-3 'Amendments to Australian Accounting Standards' and 2005-3 'Amendments to Australian Accounting Standards [AASB 119]'; AASB 2005-4 'Amendments to Australian Accounting Standard [AASB 139, AASB 132, AASB 1, AASB 1023 & AASB 1038]' and AASB 2005-6 'Amendments to Australian Accounting Standards [AASB 3]' to the annual reporting period beginning 1 July 2005. AASB 2005-4 amends AASB 139 'Financial Instruments: Recognition and Measurement' so that the ability to designate financial assets and financial liabilities at fair value is restricted. AASB 2005-6 excludes business combinations involving common control from the scope of AASB 3 'Business Combinations'.

Reconciliations explaining the transition to AIFRS as at 1 July 2004 and 30 June 2005 are provided at note 35

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, 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 the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

#### (b) Basis of Preparation

The financial statements have been prepared in accordance with Accounting Standard AAS 29 "Financial Reporting by Government Departments" on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated. The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000).

#### (c) Reporting Entity

The reporting entity comprises the Department and there are no Related Bodies.

#### (d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to 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.

#### (e) Income

##### Revenue

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

##### *Sale of goods*

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser.

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

### *Rendering of services*

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

### *Service Appropriations*

Service Appropriations are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the holding account held at the Department of Treasury and Finance. See note 13 'Income from State Government' for further detail.

### *Net Appropriation Determination*

The Treasurer may make a determination providing for prescribed revenues to be retained for services under the control of the Department. In accordance with the determination specified in the 2005-2006 Budget Statements, the Department retained \$378,000 in 2006 (\$422,000 in 2005) from the following:

- proceeds from fees and charges;
- other departmental revenue.

### *Grants, donations, gifts and other non-reciprocal contributions*

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions which is usually when cash is received. Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes

### *Gains*

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and revaluations of non-current assets.

## **(f) Property, Plant and Equipment and Infrastructure**

### **Initial recognition and measurement**

All items of property, plant and equipment and infrastructure are initially recognised at cost. For items of property, plant and equipment and infrastructure acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

Items of property, plant and equipment and infrastructure costing less than \$1,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

### *Subsequent measurement*

After recognition as an asset, the Department uses the revaluation model for the measurement of Art Works and the cost model for all other property, plant and equipment.

The Department has a policy of revaluing Works of Art at fair value. The revaluation of the Department's Works of Art is undertaken by an independent valuer and is recognised in the financial statements. Works of Art are revalued every 5 years. All other items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

### *Depreciation*

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. Depreciation is calculated using the straight line method, using rates which are reviewed annually.

Estimated useful lives for each class of depreciable asset are:

Plant and equipment	5 years
Computer equipment	3 years
Software <sup>(a)</sup>	3 to 5 years
Furniture and Fittings	10 years

Works of art controlled by the Department are classified as property, plant and equipment. They are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of them.

<sup>(a)</sup> Software that is integral to the operation of related hardware.

### **(g) Intangible Assets**

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition. The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Department have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Research and Development Costs	3 to 5 years
Software <sup>(a)</sup>	3 to 5 years
Web site costs	3 to 5 years

<sup>(a)</sup> Software that is integral to the operation of related hardware.

### **Research and Development**

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future recoverability can reasonably be regarded as assured. Other development costs are expensed as incurred.

### **Computer Software**

Acquired software items costing less than \$1,000 are expensed in the year of acquisition. Where software is an integral part of the related hardware, it is treated as property, plant and equipment. Where the software is not an integral part of the related hardware, it is treated as an intangible asset.

### **Web site costs**

Costs in relation to web sites controlled by the Department are charged as expenses in the period in which they are incurred unless they relate to the acquisition or development of an asset, in which case they may be capitalised and amortised over the period of expected benefit.

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are considered to be expenses. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits controlled by the Department that can be reliably measured, are capitalised as an asset.

### (h) Impairment of Assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount and an impairment loss is recognised. As the Department is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

The Department tests intangible assets with an indefinite useful life and intangible assets not yet available for use for impairment at each reporting date irrespective of whether there is any indication of impairment. Tests are undertaken at each reporting date.

For assets identified as surplus assets, the recoverable amount is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each reporting date. See note 3(n) 'Receivables'

### (i) Leases

The Department has entered into a number of operating lease arrangements for premises and motor vehicles where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

### (j) Financial Instruments

The Department has two categories of financial instrument:

- Receivables (cash and cash equivalents, receivables); and
- Non-trading financial liabilities (finance leases, payables).

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006****(k) Cash and Cash Equivalents**

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These are comprised of cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash, and which are subject to insignificant risk of changes in value.

**(l) Accrued Salaries**

The accrued salaries suspense account (see note 18) consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries (refer note 24) 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 Department considers the carrying amount of accrued salaries to be equivalent to the net fair value.

**(m) Amounts Receivable for Services (Holding Account)**

The Department receives appropriation funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid in the form of cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

See also note 13 'Income from State Government' and note 16 'Amounts receivable for services'.

**(n) Receivables**

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

**(o) Payables**

Payables are recognised when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 23 'Payables'.

**(p) Provisions**

Provisions are liabilities of uncertain timing and amount. The Department only recognises a provision where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance sheet reporting date. See note 22 'Provisions'

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006****(i) Provisions - Employee Benefits***Annual Leave and Long Service Leave*

The liability for annual and long service leave expected to be settled within 12 months after the end of the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the reporting date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the reporting date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

*Superannuation*

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members. The Department has no liabilities for superannuation charges under the Pension or the GSS Schemes as the liability has been assumed by Treasurer.

Employees who are not members of either the Pension or the GSS Schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund. The Department makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the West State Scheme (WSS).

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.  
See also note 3(q) 'Superannuation expense'.

**(ii) Provisions –Other***Employment On-Costs*

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in Employment on-costs provision. (See notes 10 and 22).

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006****(q) Superannuation Expense**

The following elements are included in calculating the superannuation expense in the Income Statement:

(a) Defined benefit plans - Change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer 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 (GSS); and

(b) Defined contribution plans - Employer contributions paid to the West State Superannuation Scheme (WSS), and the equivalent of employer contributions to the Gold State Superannuation Scheme (GSS).

Defined benefit plans - in order to reflect the true cost of services, the movements (i.e. current service cost and, actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS transfer benefits are recognised as expenses directly in the Income Statement. As these liabilities are assumed by the Treasurer (refer note 3(p)(i)), a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement (See note 13 'Income from State Government').

Defined contribution plans - in order to reflect the Department's true cost of services, the Department is funded for the equivalent of employer contributions in respect of the GSS Scheme (excluding transfer benefits). These contributions were paid to the GESB during the year and placed in a trust account administered by the GESB on behalf of the Treasurer. The GESB subsequently paid these employer contributions in respect of the GSS Scheme to the Consolidated Fund.

**(r) Resources Received Free of Charge or For Nominal Consideration**

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

**(s) Comparative Figures**

Comparative figures have been restated on the AIFRS basis except for financial instruments information, which has been prepared under the previous AGAAP Australian Accounting Standard AAS 33. The transition date to AIFRS for financial instruments is 1 July 2005 in accordance with the exemption allowed under AASB 1, paragraph 36A and Treasurer's Instruction 1101.

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

### 4. FUTURE IMPACT OF AUSTRALIAN ACCOUNTING STANDARDS NOT YET OPERATIVE

The Department cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. As referred to in Note 2, TI 1101 has only mandated the early adoption of revised AASB 119, AASB 2004-3, AASB 2005-3, AASB 2005-4 and AASB 2005-6. Consequently, the Department has not applied the following Australian Accounting Standards and UIG Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007. The Standard is considered to result in increased disclosures of an entity's risks, enhanced disclosure about components of financial position and performance, and changes to the way of presenting financial statements, but otherwise there is no financial impact.
2. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. The Department does not undertake these types of transactions resulting in no financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2006.
3. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease'. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At reporting date, the Department has not entered into any arrangements as specified in the Interpretation resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2006.

The following amendments are not applicable to the Department as they will have no impact:

<u>AASB Amendment</u>	<u>Affected Standards</u>
2005-1	AASB 139 (Cash flow hedge accounting of forecast intragroup transactions)
2005-5	'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]'
2006-1	AASB 121 (Net investment in foreign operations)
UIG 5	'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'.
UIG 6	'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment'.
UIG 7	'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'.
UIG 8	'Scope of AASB 2'.
UIG 9	'Reassessment of Embedded Derivatives'.

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006**

	2005/06 \$000	2004/05 \$000
<b>5. Employee benefits expense</b>		
Wages and salaries	5,200	4,718
Long service leave	391	261
Annual Leave	428	494
	<u>6,019</u>	<u>5,473</u>

Employment on-costs such as worker's compensation insurance are included at note 10 'Other Expenses'. The employment on-costs liability is included at note 22 'Provisions'.

**6. Superannuation**

Superannuation – defined contribution plans <sup>(a)</sup>	640	663
Superannuation – defined benefit plans <sup>(b) (c)</sup>	151	33
	<u>791</u>	<u>696</u>

(a) Defined contribution plans include West State and Gold State (contributions paid).

(b) Defined benefit plans include Pension scheme and Gold State (pre-transfer benefit).

(c) A notional income is also recognised (see note 13 'Income from State Government').

**7. Supplies and services**

Equipment purchases	414	252
Consumables	312	379
Repairs and Maintenance	206	126
Court Reporting	196	294
Communications	138	133
Consultants	48	47
Other	288	371
	<u>1,602</u>	<u>1,602</u>

**8. Depreciation and amortisation expense**

Depreciation		
Furniture	3	3
Computer Hardware	151	142
Plant and Equipment	54	44
Total depreciation	<u>208</u>	<u>189</u>
Amortisation		
Intangible assets	108	9
Total amortisation	<u>108</u>	<u>9</u>
Total depreciation and amortisation	<u>316</u>	<u>198</u>

**9. Accommodation expenses**

Lease	1,053	1,017
Outgoing Expense	488	486
	<u>1,541</u>	<u>1,503</u>

**10. Other expenses**

Employment on-costs <sup>(a)</sup>	236	468
	<u>236</u>	<u>468</u>

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 22 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006**

	2005/06 \$000	2004/05 \$000
<b>11. Net loss on disposal of non-current assets</b>		
<u>Costs of Disposal of Non-Current Assets</u>		
Property, plant and equipment	2	-
<u>Proceeds from Disposal of Non-Current Assets</u>		
Property, plant and equipment	1	-
Net Loss	(1)	

**12. User Fees and Charges**

User Charges and Fees		
Australian Industrial Registry – service fees	277	277
Document Lodgements	54	60
Transcript Sales	30	36
Miscellaneous	17	49
	378	422

**13. Income from State Government**

Appropriation received during the year:		
Service appropriations <sup>(a)</sup>	10,583	10,125
The following liabilities have been assumed by the Treasurer during the financial year:		
- Superannuation <sup>(b)</sup>	151	33
Total liabilities assumed by the Treasurer	151	33
Resources received free of charge <sup>(c)</sup>		
Determined on the basis of the following estimates provided by agencies:		
Ministry for Justice – Legal Expenses	6	23
	6	23
	10,740	10,181

(a) Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) The assumption of the superannuation liability by the Treasurer is a notional income to match the notional superannuation expense reported in respect of current employees who are members of the Pension Scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation Scheme.

(c) Where assets or services have been received free of charge or for nominal consideration, the Department recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case the Department shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

**14. Cash and cash equivalents**

Operating Account	916	573
Cash on Hand	-	1
	916	574

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006**

	2005/06 \$000	2004/05 \$000
<b>15. Receivables</b>		
Trade debtors	77	76
GST receivable	90	47
	<u>167</u>	<u>123</u>

See also note 3(m) 'Receivables'.

**16. Amounts receivable for services**

Current	150	150
Non-current	561	252
	<u>711</u>	<u>402</u>

Represents the non-cash component of service appropriations (see note 3(m)) 'Amounts receivable for services (Holding Account)'. It is restricted in that it can only be used for asset replacement or payment of leave liability.

**17. Other assets**

Prepayments	347	297
	<u>347</u>	<u>297</u>

**18. Restricted cash and cash equivalents**

Accrued salaries suspense account <sup>(a)</sup>	25	-
	<u>25</u>	<u>-</u>

(a) Amount held in the suspense account is only to be used for the purpose of meeting the 27<sup>th</sup> pay in a financial year that occurs every 11 years.

**19. Property, plant and equipment**

Computer Hardware		
At cost	1,007	991
Accumulated depreciation	(709)	(837)
	<u>298</u>	<u>154</u>
Plant and Equipment		
At cost	421	374
Accumulated depreciation	(223)	(175)
	<u>198</u>	<u>199</u>
Furniture		
At cost	41	41
Accumulated depreciation	(33)	(30)
	<u>8</u>	<u>11</u>
Artwork		
At fair value (i)	20	20
	<u>20</u>	<u>20</u>
Total Non Current Assets	1,489	1,426
Total Accumulated Depreciation	(965)	(1,042)
	<u>524</u>	<u>384</u>
Written Down Value		

(i) The revaluation of artworks was performed in June 2003 in accordance with an independent valuation by GFL Fine Art Pty Ltd. Fair value has been determined on the basis of current market value. The valuation was made in accordance with the Department policy of revaluation.

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

Reconciliations of the carrying amounts of computers, plant, equipment and furniture at the beginning and end of the current financial year are set out below.

	Plant and Equipment \$000	Furniture \$000	Computer Hardware \$000	Artwork \$000	Total \$000
<b>2006</b>					
Carrying amount at start of year	199	11	154	20	384
Additions	54	-	297	-	351
Disposals	(7)	-	(144)	-	(151)
Depreciation	(48)	(3)	(9)	-	(60)
Carrying amount at end of year	198	8	298	20	524
<b>2005</b>					
Carrying amount at start of year	100	7	252	20	379
Additions	143	7	44	-	194
Disposals	-	-	-	-	-
Depreciation	(44)	(3)	(142)	-	(189)
Carrying amount at end of year	199	11	154	20	384

### 20. Intangible assets

	2005/06 \$000	2004/05 \$000
Computer software		
At cost	566	430
Accumulated amortisation	(253)	(9)
	313	421
Reconciliations		
Computer software		
Carrying amount at start of year	421	361
Additions	-	69
Amortisation expense	(108)	(9)
Carrying amount at end of year	313	421

### 21. Impairment of assets

There were no indications of impairment to property, plant and equipment and intangible assets at 30 June 2006. The Department held no goodwill or intangible assets with an indefinite life during the reporting period and at reporting date there were no intangible assets not yet available for use.

### 22. Provisions

#### Current

Employee benefits provision		
Annual leave <sup>(a)</sup>	832	751
Long service leave <sup>(b)</sup>	1,104	1,042
	1,936	1,793
Other provisions		
Employment on-costs <sup>(c)</sup>	54	50
	1,990	1,843

#### Non-current

Employee benefits provision		
Long service leave <sup>(b)</sup>	289	339
	289	339
Other provisions		
Employment on-costs <sup>(c)</sup>	2	2
	291	341
	2,281	2,184

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

	2005/06 \$000	2004/05 \$000
(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that settlement of the liabilities will occur as follows:		
Within 12 months of reporting date	731	664
More than 12 months after reporting date	101	87
	<u>832</u>	<u>751</u>
(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that settlement of the liabilities will occur as follows:		
Within 12 months of reporting date	770	738
More than 12 months after reporting date	623	643
	<u>1,393</u>	<u>1,381</u>

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers compensation premiums. The provision is the present value of expected future payments. The associated expense, is included at note 10 'Other expenses'.

Movements in Other Provisions

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

Employment on-cost provision

Carrying amount at start of year	52	-
Additional provisions recognised	4	52
Payments/other sacrifices of economic benefits	-	-
Carrying amount at end of year	<u>56</u>	<u>52</u>

**23. Payables**

Trade payables	30	33
Accrued expenses	33	29
	<u>63</u>	<u>62</u>

**24. Other liabilities**

Accrued salaries	92	-
	<u>92</u>	<u>-</u>

**25. Equity**

Equity represents the residual interest in the net assets of the Department. The Government holds the equity interest in the Department on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity		
Balance at the start of the year	495	495
Balance at the end of the year	<u>495</u>	<u>495</u>
Reserves		
Asset revaluation reserve:		
Balance at the start of the year	15	15
Balance at the end of the year	<u>15</u>	<u>15</u>
Accumulated surplus/(deficit)		
Balance at the start of the year	(555)	(1,218)
Result for the period	612	663
Balance at the end of the year	<u>57</u>	<u>(555)</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

	2005/06 \$000	2004/05 \$000
<b>26. Notes to the Cash Flow Statement</b>		
(a) <u>Reconciliation of cash</u>		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	916	574
Restricted cash and cash equivalents (refer to note 18)	25	-
	<u>941</u>	<u>574</u>

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

Net cost of services	(10,128)	(9,518)
Non-cash items:		
Depreciation and amortisation expense	316	198
Superannuation expense assumed by the Treasurer	151	33
Resources received free of charge	6	23
Net (gain)/loss on sale of property, plant and equipment	1	-
(Increase)/decrease in assets:		
Current receivables	(1)	2
Prepayments	(50)	(34)
Increase/(decrease) in liabilities:		
Current payables	(2)	14
Current provisions	147	(311)
Accrued Salaries	92	(182)
Non-current provisions	(50)	100
Net GST receipts/(payments)	(23)	(21)
Change in GST in receivables/payables	(17)	55
Net cash provided by/(used in) operating activities	<u>(9,558)</u>	<u>(9,641)</u>

**27. Commitments**(a) Lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities are payable:

Non-cancellable operating lease commitments

Not later than 1 year	55	51
Later than 1 year and not later than 5 years	6	8
	<u>61</u>	<u>59</u>

The Department is an occupier of premises in Perth. The Lessee for accommodation leases is the Hon. Minister for Works, with the Department of Housing and Works responsible for payment for all leases and associated costs to the lessors. The Department of The Registrar reimburses the Department of Housing and Works for lease payments and the cost of outgoings. The current accommodation lease contract expires in June 2007. A new lease agreement will be entered into at that time but currently no commitments for lease exist beyond June 2007.

The value of the non cancellable operating leases for which the Hon. Minister for Works is the lessee and the Department of the Registrar the occupier, is

Within 1 year	1,506	1,481
Later than 1 year and not later than 5 years	-	1,506
	<u>1,506</u>	<u>2,987</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

	2005/06 \$000	2004/05 \$000
(b) Other expenditure commitments		
Projects which have been contracted for at the reporting date but not recognised as liabilities, are payable as follows:		
Within 1 year		
Storage Attached Network	-	242
Virtual Machine	-	87
These commitments are all inclusive of GST.	-	329

### 28. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2006 and between the actual results for 2005 and 2006 as presented in the financial statement titled Summary of Consolidated Fund Appropriations and Income Estimates. Significant variations are considered to be those greater than 10% or \$200,000.

	2005/06 Estimate \$000	2005/06 Actual \$000	Variance \$000
<b>(i) Significant variances between estimate and actual</b>			
Total appropriation to deliver services:			
Amount Authorised by Other Statutes	2,462	2,176	(286)
Capital Expenditure	150	351	201

The variance in appropriations is due to a reduction in the appropriations required due to the rescheduling of the retirement of a Commission member.

The variance in capital expenditure is a result of major projects commenced in 2004/05 that were completed and payments finalised in 2005/06.

	2005/06 Actual \$000	2004/05 Actual \$000	Variance \$000
<b>(ii) Significant variances between actual and prior year actual</b>			
Total appropriation to deliver services			
Net amount appropriated to purchase services	8,407	7,867	540
Details of Expense by Service			
Services to the WAIRC and Industrial Magistrates Court	5,072	4,729	343
Conciliation and Arbitration by the WAIRC	5,434	5,211	223
Capital Expenditure	351	263	88

The Net amount appropriated to purchase services in 2005/06 included a once off amount to fund the entitlements on retirement of the then President of the Commission.

The variance in the expense for Services to the WAIRC and Industrial Magistrates Court is due to the payment of entitlements on retirement. The variance in the expense for the Conciliation and Arbitration service is due to salary increments as determined by the Salaries and Allowances Tribunal.

The capital expenditure in 2005/06 included the payments for major projects commenced in 2004/05.

### 29. Financial instruments

#### (a) Financial Risk Management Objectives and Policies

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

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

### Interest Rate Risk Exposure

The Department's exposure to interest rate risk is nil as the relevant financial instruments consisting of cash assets, restricted cash assets, receivables, payables and other liabilities are all non interest bearing.

### Credit Risk Exposure

All financial assets are unsecured. In respect of other financial assets the carrying amounts represents the Department's maximum exposure to credit risk in relation to those assets

### Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values.

## 30. 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 are:

	2005/06 \$000	2004/05 \$000
\$		
60,001 – 70,000	-	1
90,001 – 100,000	1	-
110,001 – 120,000	1	1
160,001 – 170,000	-	1
180,001 – 190,000	1	-
The total remuneration of senior officers is:	400	339

The superannuation included here represents the superannuation expense incurred by the Department in respect of senior officers. No senior officers are members of the Pension Scheme

## 31. Remuneration of auditor

Remuneration to the Auditor General for the financial year is as follows:

	30	24
Auditing the accounts, financial statements and performance indicators	30	24

## 32. Related bodies

The Department of the Registrar, WAIRC does not have any related bodies.

## 33. Affiliated bodies

The Western Australian Industrial Relations Commission (WAIRC) is an affiliated body in that it received administrative support of \$5,633,000 (2005 - \$5,211,000) from the Department. The WAIRC is not subject to operational control by the Department.

The Department met all the operational expenses from money appropriated to the Department for that purpose as identified under the services titled "Conciliation and Arbitration by the Western Australian Industrial Relations Commission".

The service provides for the salaries and contingencies of Commission Members and their direct support staff and services. Details on the operations of the Commission are reported in the Chief Commissioner's Annual Report to the Minister made pursuant to section 16, subsection (2)(b) of the Industrial Relations Act 1979

## 34. Trust accounts

The Department of the Registrar, WAIRC does not hold any trust accounts.

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

### 35. Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS)

#### RECONCILIATION OF EQUITY AT THE DATE OF TRANSITION TO AIFRS: 1 JULY 2004 (AASB 1.39(a)(i))

Note	Previous GAAP 1 July 2004	Adjustments AASB 138 35.1a	Total Adjustments	AIFRS 1 July 2004
	\$000	\$000	\$000	\$000
<b>ASSETS</b>				
<b>Current Assets</b>				
(1) Cash and cash equivalents	358			358
Restricted cash and cash equivalents	205			205
Receivables	159			159
(2) Amounts receivable for services	150			150
(3) Other current assets	263			263
<b>Total Current Assets</b>	<b>1,135</b>	<b>-</b>	<b>-</b>	<b>1,135</b>
<b>Non-Current Assets</b>				
(2) Amounts receivable for services	42			42
Property, plant and equipment	740	(361)		379
Intangible assets	-	361		361
(4) Other non-current assets	-			-
<b>Total Non-Current Assets</b>	<b>782</b>	<b>-</b>	<b>-</b>	<b>782</b>
<b>TOTAL ASSETS</b>	<b>1,917</b>	<b>-</b>	<b>-</b>	<b>1,917</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	48			48
Provisions	2,154			2,154
(5) Other current liabilities	182			182
<b>Total Current Liabilities</b>	<b>2,384</b>	<b>-</b>	<b>-</b>	<b>2,384</b>
<b>Non-Current Liabilities</b>				
Provisions	241			241
<b>Total Non-Current Liabilities</b>	<b>241</b>	<b>-</b>	<b>-</b>	<b>241</b>
<b>Total Liabilities</b>	<b>2,625</b>	<b>-</b>	<b>-</b>	<b>2,625</b>
<b>Net Assets</b>	<b>(708)</b>			<b>(708)</b>
<b>Equity</b>				
Contributed equity	495			495
Reserves	15			15
Accumulated surplus/(deficiency)	(1,218)			(1,218)
<b>Total Equity</b>	<b>(708)</b>	<b>-</b>	<b>-</b>	<b>(708)</b>

- (1) Equivalent AGAAP line item 'Cash Assets' (AIFRS 'Cash and Cash Equivalents')
- (2) Equivalent AGAAP line item 'Amounts receivable for outputs' (AIFRS 'Amounts receivable for services')
- (3) Equivalent AGAAP line item 'Other Assets' (AIFRS 'Current assets')
- (4) Equivalent AGAAP line item 'Other Assets' (AIFRS 'Other non-current assets')
- (5) Equivalent AGAAP line item 'Other liabilities' (AIFRS 'Other current liabilities')

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

### RECONCILIATION OF EQUITY AT THE END OF THE LAST REPORTING PERIOD UNDER PREVIOUS AGAAP: 30 JUNE 2005 (AASB 1.39(a)(ii))

Note	GAAP 30 June 2005	Adjustments  AASB 138 35.1b	Total	AIFRS 30 June 2005
	\$000	\$000	\$000	\$000
	<b>ASSETS</b>			
	<b>Current Assets</b>			
(1)	Cash and cash equivalents	574		574
	Restricted cash and cash equivalents	-		-
	Receivables	123		123
(2)	Amounts receivable for services	150		150
(3)	Other current assets	297		297
	<b>Total Current Assets</b>	<b>1,144</b>	<b>-</b>	<b>1,144</b>
	<b>Non-Current Assets</b>			
	Restricted cash and cash equivalents	-		-
(2)	Amounts receivable for services	252		252
	Property, Plant and equipment	805	(421)	384
	Intangible assets	-	421	421
(4)	Other non-current assets	-		-
	<b>Total Non-Current Assets</b>	<b>1,057</b>	<b>-</b>	<b>1,057</b>
	<b>TOTAL ASSETS</b>	<b>2,201</b>	<b>-</b>	<b>2,201</b>
	<b>LIABILITIES</b>			
	<b>Current Liabilities</b>			
	Payables	62		62
	Provisions	1,843		1,843
(5)	Other current liabilities	-		-
	<b>Total Current Liabilities</b>	<b>1,905</b>	<b>-</b>	<b>1,905</b>
	<b>Non-Current Liabilities</b>			
	Payables	-		-
	Provisions	341		341
	<b>Total Non-Current Liabilities</b>	<b>341</b>	<b>-</b>	<b>341</b>
	<b>Total Liabilities</b>	<b>2,246</b>	<b>-</b>	<b>2,246</b>
	<b>Net Assets</b>	<b>(45)</b>		<b>(45)</b>
	<b>Equity</b>			
	Contributed equity	495		495
	Reserves	15		15
	Accumulated surplus/(deficiency)	(555)		(555)
	<b>Total Equity</b>	<b>(45)</b>	<b>-</b>	<b>(45)</b>

The transition to AIFRS includes adjustments for the transition AIFRS as at 1 July 2004 plus adjustments for the period 1 July 2004 to 30 June 2005.

- (1) Equivalent AGAAP line item 'Cash Assets' (AIFRS 'Cash and Cash Equivalents')
- (2) Equivalent AGAAP line item 'Amounts receivable for outputs' (AIFRS 'Amounts receivable for services')
- (3) Equivalent AGAAP line item 'Other Assets' (AIFRS 'Current assets')
- (4) Equivalent AGAAP line item 'Other Assets' (AIFRS 'Other non-current assets')
- (5) Equivalent AGAAP line item 'Other liabilities' (AIFRS 'Other current liabilities')

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

### RECONCILIATION OF INCOME STATEMENT (PROFIT OR LOSS) FOR YEAR ENDED 30 JUNE 2005 (AASB 1.39(b))

Note	GAAP 30 June 2005 \$000	Adjustments AASB 119 35.2a \$000	Total \$000	AIFRS 30 June 2005 \$000
<b>COST OF SERVICES Expenses</b>				
(1) Employee benefits expense	5,941	(468)		5,473
Superannuation	696			696
(2) Supplies and services	1,602			1,602
Depreciation and amortisation expense	198			198
Accommodation expenses	1,503			1,503
(3) Other expenses	-	468		468
Total cost of services	9,940	-	-	9,940
<b>Income Revenue</b>				
User charges and fees	422			422
Total income other than income from State Government	422	-	-	422
<b>NET COST OF SERVICES</b>	9,518	-	-	9,518
<b>INCOME FROM STATE GOVERNMENT</b>				
Service appropriation	10,125			10,125
Liabilities assumed by the Treasurer	33			33
Resources received free of charge	23			23
Total income from State Government	10,181	-	-	10,181
(4) Surplus/(deficit) for the period	663	-	-	663
See Statement of Changes in Equity				

- (1) Equivalent AGAAP line item 'Employee expenses' (AIFRS 'Employee benefits expense')  
 (2) Supplies and services now includes Administration expenses  
 (3) Equivalent AGAAP line item 'Other expenses from ordinary activities' (AIFRS 'Other expenses')  
 (4) Equivalent AGAAP line item 'Change in net assets' (AIFRS 'Surplus/(deficit)')

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006

RECONCILIATION OF CASH FLOW STATEMENT  
FOR YEAR ENDED 30 JUNE 2005 (AASB 1.40)

Note	GAAP 30 June 2005	Adjustments AASB 119 35.2b	Total	AIFRS 30 June 2005
	\$000	\$000	\$000	\$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>				
Service appropriation	9,915			9,915
Capital contributions	-			-
<b>Net cash provided by State Government</b>	9,915	-	-	9,915
<b>Utilised as follows:</b>				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
(1) Employee benefits	(6,397)	(298)		(6,099)
Superannuation	(651)			(651)
Supplies and services	(1,693)			(1,693)
Accommodation	(1,389)			(1,389)
GST payments on purchases	(321)			(321)
GST payments to taxation authority	-			-
Other payments	-	298		(298)
<b>Receipts</b>				
Sale of goods and services				
User charges and fees	434			434
GST receipts on sales	40			40
GST receipts from taxation authority	336			336
Other receipts	-			-
<b>Net cash provided by/(used in) operating activities</b>	(9,641)	-	-	(9,641)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of non-current physical assets				
Purchase of non-current physical assets	(263)			(263)
<b>Net cash provided by/(used in) investing activities</b>	(263)	-	-	(263)
<b>Net increase/(decrease) in cash and cash equivalents</b>	11			11
Cash and cash equivalents at beginning of period	563			563
<b>CASH AND CASH EQUIVALENT ASSETS AT END OF PERIOD</b>	574	-	-	574

(1) Equivalent AGAAP line item 'Employee costs' (IFRS 'Employee benefits')

(2) Equivalent AGAAP line item 'Borrowing costs expense' (IFRS 'Finance costs')

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2006****Notes to the reconciliations****Note 35.1 Intangible assets (AASB 138)**

AASB 138 requires that software not integral to the operation of a computer must be disclosed as intangible assets. Intangible assets must be disclosed on the balance sheet. All software has previously been classified as property, plant and equipment (office equipment).

**35.1a Adjustments to opening Balance Sheet (1 July 2004)**

The Department has transferred \$361,000 in software from property, plant and equipment to intangible assets.

**35.1b Adjustments to 30 June 2005 Balance Sheet**

The Department has transferred \$421,000 in software from property, plant and equipment to intangible assets.

**Note 35.2 Employee benefits (AASB 119 and AASB 101)**

AASB 101 requires that a liability must be classified as current where the entity does not have an unconditional right to defer settlement of the liability for at least twelve months beyond the reporting date. Consequently, all annual leave and long service leave entitlements (unconditional long service leave) must now be classified as current. Non-vested long service leave liability will be non-current to the extent that it does not become unconditional within 12 months from reporting date.

Employment on-costs are not included in employee benefits under AGAAP or AIFRS. However, under AGAAP employee benefits and on-costs are disclosed together on the face of the Income Statement as Employee costs. Under AIFRS employee benefits is the equivalent item disclosed on the face. On-costs are transferred to other expenses.

**35.2a Adjustments to the Income Statement for the period ended 30 June 2005**

Employment on-costs expense has been reclassified from employee benefits expense to other expense (\$468,000).

**35.2b Adjustments to the Cash Flow Statement for the period ended 30 June 2005**

Employment on-costs payments have been reclassified from employee benefits payments to other payments (\$298,000).