

The infographic features a dark blue background. At the top, a large circle with a grey center and an orange border contains text. A dotted orange line extends from the bottom of this circle towards a larger circle at the bottom. The bottom circle is light grey with an orange border and contains the title 'Disclosures and legal compliance'. To the right of this circle is an orange semi-circle containing the number '5.'.

This section ensures full disclosure of our financial statements, key performance indicators and legal and governance reporting requirements.

Disclosures and legal compliance

5.

Independent auditor's report



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE

Report on the Financial Statements

I have audited the accounts and financial statements of the Health and Disability Services Complaints Office.

The financial statements comprise the Statement of Financial Position as at 30 June 2015, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Director's Responsibility for the Financial Statements

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

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Office's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Director, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Health and Disability Services Complaints Office at 30 June 2015 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Health and Disability Services Complaints Office during the year ended 30 June 2015.

Controls exercised by the Health and Disability Services Complaints Office are those policies and procedures established by the Director to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Director's Responsibility for Controls

The Director is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Health and Disability Services Complaints Office based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Office complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

Opinion

In my opinion, the controls exercised by the Health and Disability Services Complaints Office are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2015.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Health and Disability Services Complaints Office for the year ended 30 June 2015.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Director's Responsibility for the Key Performance Indicators

The Director is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Director determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Director's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

Opinion

In my opinion, the key performance indicators of the Health and Disability Services Complaints Office are relevant and appropriate to assist users to assess the Office's performance and fairly represent indicated performance for the year ended 30 June 2015.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

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

This auditor's report relates to the financial statements and key performance indicators of the Health and Disability Services Complaints Office for the year ended 30 June 2015 included on the Office's website. The Office's management is responsible for the integrity of the Office's website. This audit does not provide assurance on the integrity of the Office's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
20 August 2015

Certification of financial statements



Government of Western Australia
Health and Disability Services Complaints Office



HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE

CERTIFICATION OF FINANCIAL STATEMENTS

I hereby certify that the financial statements of the Health and Disability Services Complaints Office have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper amounts and records to present fairly the financial transactions for the financial year ending 30 June 2015 and financial position as at 30 June 2015.

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

A handwritten signature in black ink, appearing to be 'Edward Lee'.

Edward Lee CPA
CHIEF FINANCE OFFICER

A handwritten signature in black ink, appearing to be 'Linley Anne Donaldson'.

Linley Anne Donaldson
DIRECTOR
ACCOUNTABLE AUTHORITY

Date: 18 August 2015

Date: 18 August 2015



Financial statements (Continued)

Statement of comprehensive income

Health and Disability Services Complaints Office

Statement of Comprehensive Income

For the year ended 30th June 2015

| | Note | 2015 \$ | 2014 \$ |
|------------------------------------------------------|------|------------------|------------------|
| COST OF SERVICES | | | |
| Expenses | | | |
| Employee benefits expense | 6 | 1,885,380 | 1,938,036 |
| Supplies and services | 7 | 164,222 | 147,401 |
| Amortisation expense | 8 | 3,108 | 3,108 |
| Repairs, maintenance and consumable equipment | 9 | 16,413 | 2,967 |
| Other expenses | 10 | 455,301 | 444,033 |
| Total cost of services | | 2,524,424 | 2,535,545 |
| INCOME | | | |
| Commonwealth grants and contributions | 11a | 2,802 | - |
| Other grants and contributions | 11b | 50,000 | - |
| Other revenue | 12 | 2,220 | 5,380 |
| Total revenue | | 55,022 | 5,380 |
| Total income other than income from State Government | | 55,022 | 5,380 |
| NET COST OF SERVICES | | 2,469,402 | 2,530,165 |
| INCOME FROM STATE GOVERNMENT | | | |
| Service appropriations | 13 | 2,564,000 | 2,498,000 |
| Services received free of charge | 14 | 80,876 | 85,292 |
| Total income from State Government | | 2,644,876 | 2,583,292 |
| SURPLUS FOR THE PERIOD | | 175,474 | 53,127 |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 175,474 | 53,127 |

See also note 33 'Schedule of Income and Expenses by Service'.

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

Financial statements (Continued)

Statement of financial position

Health and Disability Services Complaints Office

Statement of Financial Position

As at 30th June 2015

| | Note | 2015 \$ | 2014 \$ |
|--------------------------------------|------|------------------|----------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 22 | 1,061,527 | 774,452 |
| Receivables | 15 | 11,488 | 18,699 |
| Other current assets | 16 | 23,566 | 8,136 |
| Total Current Assets | | 1,096,581 | 801,287 |
| Non-Current Assets | | | |
| Intangible assets | 17 | 3,108 | 6,216 |
| Total Non-Current Assets | | 3,108 | 6,216 |
| Total Assets | | 1,099,689 | 807,503 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Payables | 19 | 186,938 | 104,185 |
| Provisions | 20 | 401,560 | 389,345 |
| Total Current Liabilities | | 588,498 | 493,530 |
| Non-Current Liabilities | | | |
| Provisions | 20 | 132,745 | 111,001 |
| Total Non-Current Liabilities | | 132,745 | 111,001 |
| Total Liabilities | | 721,243 | 604,531 |
| NET ASSETS | | 378,446 | 202,972 |
| EQUITY | | | |
| Accumulated surplus | 21 | 378,446 | 202,972 |
| TOTAL EQUITY | | 378,446 | 202,972 |

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

Statement of changes in equity

Statement of Changes in Equity For the year ended 30th June 2015

| | Note | 2015 \$ | 2014 \$ |
|---------------------------------------------|------|----------------|----------------|
| BALANCE OF EQUITY AT START OF PERIOD | | 202,972 | 149,845 |
| ACCUMULATED SURPLUS | 21 | | |
| Balance at start of period | | 202,972 | 149,845 |
| Surplus for the period | | 175,474 | 53,127 |
| Balance at end of period | | 378,446 | 202,972 |
| BALANCE OF EQUITY AT END OF PERIOD | | 378,446 | 202,972 |

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

Financial statements (Continued)

Statement of cash flows

Statement of Cash Flows

For the year ended 30th June 2015

| | Note | 2015 \$ Inflows (Outflows) | 2014 \$ Inflows (Outflows) |
|----------------------------------------------------------|------|-------------------------------------|-------------------------------------|
| CASH FLOWS FROM STATE GOVERNMENT | | | |
| Service appropriations | 13 | 2,564,000 | 2,498,000 |
| Net cash provided by State Government | | 2,564,000 | 2,498,000 |
| Utilised as follows: | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments | | | |
| Employee benefits | | (1,822,416) | (1,942,834) |
| Supplies, services and other payments | | (509,531) | (514,776) |
| Receipts | | | |
| Commonwealth grants and contributions | | 2,802 | 13,122 |
| Other grants and subsidies | | 50,000 | |
| Recoveries and other receipts | | 2,220 | 5,380 |
| Net cash used in operating activities | 22 | (2,276,925) | (2,439,108) |
| Net increase in cash and cash equivalents | | 287,075 | 58,892 |
| Cash and cash equivalents at the beginning of the period | | 774,452 | 715,560 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 22 | 1,061,527 | 774,452 |

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

Notes to the financial statements

Notes to the Financial Statements For the year ended 30th June 2015

Note 1 Australian Accounting Standards

General

The Authority's financial statements for the year ended 30 June 2015 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction 1101 'Application of Australian Accounting Standards and Other Pronouncements'. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Authority for the annual reporting period ended 30 June 2015.

Note 2 Summary of significant accounting policies

(a) General Statement

The Authority is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

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

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

(b) Basis of Preparation

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

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

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

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

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

(c) Reporting Entity

The reporting entity comprises the Authority only.

(d) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Specific recognition criteria must be met before revenue is recognised as follows:

Service Appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Authority gains control of the appropriated funds. The Authority gains control of appropriated funds at the time those funds are deposited to the bank account.

See also note 13 'Service appropriations' for further information.

Grants, donations, gifts and other non-reciprocal contributions

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

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

Notes to the financial statements (Continued)

Notes to the Financial Statements

For the year ended 30th June 2015

(d) Income (continued)

Gains

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

(e) Intangible Assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$5,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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

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

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

The assets' useful lives are reviewed annually. Estimated useful lives for each class of intangible asset are:

| | |
|-------------------|---------|
| Computer software | 5 years |
|-------------------|---------|

Computer software that is an integral part of the related hardware is treated as plant and equipment. Computer software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

(f) Impairment of Assets

Intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised as expense. As the Authority is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

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

See also note 18 'Impairment of assets' for the outcome of impairment reviews and testing.

Refer also to note 2(k) 'Receivables' and note 15 'Receivables' for impairment of receivables.

(g) Leases

Leases of property, plant and equipment, where the Authority has substantially all of the risks and rewards of ownership, are classified as finance leases. The Authority does not have any finance leases.

Leases in which the lessor retains significantly all of the risks and rewards of ownership are classified as operating leases. Operating lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

Notes to the financial statements (Continued)

Notes to the Financial Statements

For the year ended 30th June 2015

(h) Financial Instruments

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

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

Financial instruments have been disaggregated into the following classes:

Financial assets

- * Cash and cash equivalents
- * Receivables

Financial liabilities

- * Payables

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

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

(i) Cash and Cash Equivalents

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

(j) Accrued Salaries

Accrued salaries (see note 19 'Payables') represent the amount due to employees but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Authority considers the carrying amount of accrued salaries to be equivalent to its fair value.

(k) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Authority 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.

See also note 2(h) 'Financial Instruments' and note 15 'Receivables'.

Change to accounting procedure for Goods and Services Tax

Rights to collect amounts receivable from the Australian Taxation Office and responsibilities to make payments for GST have been assigned to the 'Department of Health'. This accounting procedure was a result of application of the grouping provisions of "A New Tax System (Goods and Services Tax) Act 1999" whereby the Department of Health became the Nominated Group Representative (NGR) for the GST Group as from 1 July 2012. The 'Minister for Health in his Capacity as the Deemed Board of the Metropolitan Public Hospitals' (Metropolitan Health Services) was the NGR in previous financial years. The Health entities in the GST group include the Department of Health, Mental Health Commission, Metropolitan Health Services, Peel Health Service, WA Country Health Service, WA Alcohol and Drug Authority, QE II Medical Centre Trust, and Health and Disability Services Complaints Office.

GST for accounts payable are recognised upon the receipt of tax invoices for purchases of goods and services. Accordingly, accrued expense amounts are generally exclusive of GST.

(l) Payables

Payables are recognised when the Authority 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 payables are generally settled within 30 days.

See also note 2(h) 'Financial Instruments' and note 19 'Payables'.

Notes to the Financial Statements For the year ended 30th June 2015

(m) Provisions

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

See also note 20 'Provisions'.

Provisions - employee benefits

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

Annual Leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long Service Leave

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

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Sick Leave

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income for this leave as it is taken.

Superannuation

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

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

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

Notes to the financial statements (Continued)

Notes to the Financial Statements

For the year ended 30th June 2015

(m) Provisions (continued)

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

The Authority has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Authority to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS transfer benefits, and recoups the employer's share from the Treasurer.

See also note 2(n) 'Superannuation Expense'.

Employment on-costs

Employment on-costs (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 Authority's 'Employee benefits expense'. Any related liability is included in 'Employment on-costs provision'.

See also note 10 'Other expenses' and note 20 'Provisions'.

(n) Superannuation Expense

Superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), the GESB Super Scheme (GESBS), and other superannuation fund. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(o) Services Received Free of Charge or for Nominal Cost

Services received free of charge or for nominal cost, that the Authority would otherwise purchase if not donated, are recognised as income at the fair value of the services where they can be reliably measured. A corresponding expense is recognised for services received.

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

(p) Comparative Figures

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

Note 3 Judgements made by management in applying accounting policies

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

The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

Employee benefits provision

An average turnover rate for employees has been used to calculate the non-current long service leave provision. This turnover rate is representative of the Health public authorities in general.

Note 4 Key sources of estimation uncertainty

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

Employee benefits provision

In estimating the non-current long service leave liabilities, employees are assumed to leave the Authority each year on account of resignation or retirement at 7.2%. This assumption was based on an analysis of the turnover rates exhibited by employees over a five year period. Employees with leave benefits to which they are fully entitled are assumed to take all available leave uniformly over the following five years or to age 65 if earlier.

Other estimations and assumptions used in calculating the Authority's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Notes to the financial statements (Continued)

Notes to the Financial Statements

For the year ended 30th June 2015

Note 5 Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Authority has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2014 that impacted on the Authority.

| Title | |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AASB 1031 | <p><i>Materiality</i></p> <p>This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.</p> |
| AASB 1055 | <p><i>Budgetary Reporting</i></p> <p>This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Authority will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p> |
| AASB 2013-3 | <p><i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i></p> <p>This Standard introduces editorial and disclosure changes. There is no financial impact.</p> |
| AASB 2013-9 | <p><i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i></p> <p>Part B of this omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014. It has no financial impact.</p> |
| AASB 2014-1 | <p><i>Amendments to Australian Accounting Standards</i></p> <p>Part A of this Standard consists primarily of clarifications to Accounting Standards and has no financial impact for the Authority.</p> <p>Part B of this Standard has no financial impact as the Authority contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans.</p> <p>Part C of this Standard has no financial impact as it removes references to AASB 1031 Materiality from a number of Accounting Standards.</p> |

Future impact of Australian Accounting Standards not yet operative

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Authority has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Authority. Where applicable, the Authority plans to apply these Australian Accounting Standards from their application date.

| Title | | Operative for reporting periods beginning on/after |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| AASB 9 | <p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1. The Authority has not yet determined the application or the potential impact of the Standard.</p> | 1 Jan 2018 |
| AASB 15 | <p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Authority shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Authority has not yet determined the application or the potential impact of the Standard.</p> | 1 Jan 2017 |

Notes to the financial statements (Continued)

Notes to the Financial Statements

For the year ended 30th June 2015

Note 5 Disclosure of changes in accounting policy and estimates (continued)

Future impact of Australian Accounting Standards not yet operative

| Title | Operative for reporting periods beginning on/after |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| <p>AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Authority has not yet determined the application or the potential impact of the Standard.</p> | 1 Jan 2018 |
| <p>AASB 2013-9 <i>Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments</i></p> <p>Part C of this omnibus Standard defers the application of AASB 9 to 1 January 2017 (Part C). The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Authority has not yet determined the application or the potential impact of AASB 9.</p> | 1 Jan 2015 |
| <p>AASB 2014-1 <i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Authority to determine the application or potential impact of the Standard.</p> | 1 Jan 2018 |
| <p>AASB 2014-4 <i>Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i></p> <p>The adoption of this Standard has no financial impact for the Authority as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.</p> | 1 Jan 2016 |
| <p>AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including interpretations) arising from the issuance of AASB 15. The Authority has not yet determined the application or the potential impact of the Standard.</p> | 1 Jan 2017 |
| <p>AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including interpretations) arising from the issuance of AASB 9 (December 2014). The Authority has not yet determined the application or the potential impact of the Standard.</p> | 1 Jan 2018 |
| <p>AASB 2014-8 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) - Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]</i></p> <p>This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010), arising from the issuance of AASB 9 Financial Instruments in December 2014. The Authority has not yet determined the application or the potential impact of the Standard.</p> | 1 Jan 2015 |
| <p>AASB 2015-1 <i>Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle (AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140)</i></p> <p>These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Authority has not yet determined the application or the potential impact of the Standard.</p> | 1 Jan 2016 |

Notes to the financial statements (Continued)

Notes to the Financial Statements

For the year ended 30th June 2015

Note 5 Disclosure of changes in accounting policy and estimates (continued)

Future impact of Australian Accounting Standards not yet operative

| Title | Operative for reporting periods beginning on/after |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| <p>AASB 2015-2 <i>Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 (AASB 7, 101, 134 & 1049)</i></p> <p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.</p> | 1 Jan 2016 |
| <p>AASB 2015-3 <i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i></p> <p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.</p> | 1 Jul 2015 |
| <p>AASB 2015-6 <i>Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (AASB 10, 124 & 1049)</i></p> <p>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. The Authority has not yet determined the application of the Standard, though there is no financial impact.</p> | 1 Jul 2016 |

| | 2015 | 2014 |
|-------------------------------------------------|------------------|------------------|
| Note 6 Employee benefits expense | \$ | \$ |
| Salaries and wages (a) (b) | 1,716,796 | 1,761,343 |
| Superannuation - defined contribution plans (c) | 168,584 | 176,693 |
| | <u>1,885,380</u> | <u>1,938,036</u> |

(a) Includes the value of the fringe benefits to employees plus the fringe benefits tax component and the value of the superannuation contribution component of leave entitlements.

(b) \$7,443 was incurred in this financial year (2014: \$1,075) for services provided for the Christmas & Cocos Islands (see note 30).

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

Employment on-costs expenses, such as workers' compensation insurance, are included at Note 10 'Other Expenses'.

Notes to the financial statements (Continued)

Notes to the Financial Statements For the year ended 30th June 2015

| | 2015 | 2014 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| | \$ | \$ |
| Note 7 Supplies and services | | |
| Medical advice and consultation | 60,469 | 59,394 |
| Communications | 21,171 | 19,798 |
| Fuel, light and power | 8,118 | 7,121 |
| Computer services | 36,235 | 22,118 |
| Legal expenses | 3,596 | 9,163 |
| Printing and stationery | 26,775 | 21,237 |
| Food supplies | 3,014 | 2,321 |
| Other | 4,844 | 6,249 |
| | <u>164,222</u> | <u>147,401</u> |
| Note 8 Amortisation expense | | |
| Computer software | <u>3,108</u> | <u>3,108</u> |
| Note 9 Repairs, maintenance and consumable equipment | | |
| Repairs and maintenance | 967 | - |
| Consumable equipment | <u>15,446</u> | <u>2,967</u> |
| | <u>16,413</u> | <u>2,967</u> |
| Note 10 Other expenses | | |
| Employment on-costs (a) | 10,370 | 7,945 |
| Staff development and transport costs | 44,058 | 29,657 |
| Insurance | 4,790 | 5,491 |
| Motor vehicle expenses | 3,393 | 2,360 |
| Operating lease expenses | 347,560 | 347,703 |
| Audit fees | 23,000 | 21,900 |
| Christmas and Cocos Islands (b) | 14,841 | 152 |
| Other | 7,289 | 28,825 |
| | <u>455,301</u> | <u>444,033</u> |
| (a) Includes workers' compensation insurance. Any on-costs liability associated with the recognition of annual and long service leave liability is included at note 20 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs. | | |
| (b) See note 30 for the Statement of receipts and payments. | | |
| Note 11 Grants and contributions | | |
| a) Commonwealth grants and contributions | | |
| Recoup for services provided to Christmas & Cocos Islands (a) | <u>2,802</u> | - |
| (a) See note 30 for the Statement of receipts and payments. | | |
| b) Other grants and contributions | | |
| Disability Services Commission - data reporting system development | <u>50,000</u> | - |
| | <u>50,000</u> | - |
| Note 12 Other revenues | | |
| Government Vehicle Scheme Contribution | 2,094 | 1,909 |
| Reimbursement of employee salary overpayment | - | 2,990 |
| Other | <u>126</u> | <u>481</u> |
| | <u>2,220</u> | <u>5,380</u> |
| Note 13 Service appropriations | | |
| Appropriation revenue received during the period: | | |
| Service appropriations | <u>2,564,000</u> | <u>2,498,000</u> |
| See note 2(d) 'Income'. | | |

Notes to the financial statements (Continued)

Notes to the Financial Statements For the year ended 30th June 2015

| | 2015 | 2014 |
|------------------------------------------------------------------------------------------|---------------|---------------|
| Note 14 Services received free of charge | \$ | \$ |
| Services received free of charge from other State government agencies during the period: | | |
| State Solicitor's Office - legal service | 3,596 | 9,163 |
| Department of Finance - office accommodation fit-out | 77,280 | 76,129 |
| | <u>80,876</u> | <u>85,292</u> |

Services received free of charge or for nominal cost are recognised as revenue at fair value of those services that can be reliably measured and which would have been purchased if they were not donated.

Note 15 Receivables

| | | |
|----------------------------------------------------------------------------|---------------|---------------|
| Current | | |
| Recoup due from Department of Attorney General for employee leave transfer | - | 7,842 |
| Reimbursements due from employees for salary overpayments | 5,764 | 9,235 |
| GST receivable | 5,724 | 1,622 |
| | <u>11,488</u> | <u>18,699</u> |

The Authority does not hold any collateral as security or other credit enhancements relating to receivables.

See also note 2(k) 'Receivables' and note 32 'Financial instruments'.

Note 16 Other current assets

| | | |
|-------------|---------------|--------------|
| Prepayments | <u>23,566</u> | <u>8,136</u> |
|-------------|---------------|--------------|

Note 17 Intangible assets

| | | |
|--------------------------|--------------|--------------|
| Computer software | | |
| At cost | 15,540 | 15,540 |
| Accumulated amortisation | (12,432) | (9,324) |
| | <u>3,108</u> | <u>6,216</u> |

Reconciliation

Reconciliation of the carrying amount of intangible assets at the beginning and end of the current financial year is set out below.

Computer software

| | | |
|------------------------------------|--------------|--------------|
| Carrying amount at start of period | 6,216 | 9,324 |
| Amortisation expense | (3,108) | (3,108) |
| Carrying amount at end of period | <u>3,108</u> | <u>6,216</u> |

Note 18 Impairment of Assets

There were no indications of impairment to intangible assets at 30 June 2015.

The Authority held no goodwill or intangible assets with indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Note 19 Payables

| | | |
|------------------|----------------|----------------|
| Current | | |
| Trade creditors | 32,766 | 26,405 |
| Other creditors | 2,601 | 4,920 |
| Accrued expenses | 77,668 | 16,649 |
| Accrued salaries | 73,903 | 56,211 |
| | <u>186,938</u> | <u>104,185</u> |

See also note 2(l) 'Payables' and note 32 'Financial instruments'.

Notes to the financial statements (Continued)

Notes to the Financial Statements For the year ended 30th June 2015

| Note | 2015 | 2014 |
|------------------------------------|----------------|----------------|
| | \$ | \$ |
| Note 20 Provisions | | |
| Current | | |
| <u>Employee benefits provision</u> | | |
| Annual leave (a) | 187,855 | 193,747 |
| Long service leave (b) | 213,705 | 195,598 |
| | <u>401,560</u> | <u>389,345</u> |
| Non-current | | |
| <u>Employee benefits provision</u> | | |
| Long service leave (b) | 132,745 | 111,001 |
| | <u>534,305</u> | <u>500,346</u> |

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

| | | |
|-----------------------------------------------------------|----------------|----------------|
| Within 12 months of the end of the reporting period | 130,751 | 137,300 |
| More than 12 months after the end of the reporting period | 57,104 | 56,447 |
| | <u>187,855</u> | <u>193,747</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 the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

| | | |
|-----------------------------------------------------------|----------------|----------------|
| Within 12 months of the end of the reporting period | 42,495 | 39,256 |
| More than 12 months after the end of the reporting period | 303,955 | 267,343 |
| | <u>346,450</u> | <u>306,599</u> |

Note 21 Accumulated surplus

| | | |
|----------------------------|----------------|----------------|
| Balance at start of period | 202,972 | 149,845 |
| Result for the period | 175,474 | 53,127 |
| Balance at end of period | <u>378,446</u> | <u>202,972</u> |

Note 22 Notes to the Statement of Cash Flows

Reconciliation of cash

Cash assets at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

| | | |
|---------------------------|------------------|----------------|
| Cash and cash equivalents | <u>1,081,527</u> | <u>774,452</u> |
|---------------------------|------------------|----------------|

Reconciliation of net cost of services to net cash flows used in operating activities

| | | |
|-----------------------------------------------------------------|--------------------|--------------------|
| Net cash used in operating activities (Statement of Cash Flows) | (2,276,925) | (2,439,108) |
| <u>Increase/(decrease) in assets:</u> | | |
| Current receivables | (7,211) | (775) |
| Prepayments | 15,430 | 6,574 |
| <u>Decrease/(increase) in liabilities:</u> | | |
| Payables | (82,753) | (1,934) |
| Current provisions | (12,215) | 9,182 |
| Non-current provisions | (21,744) | (15,704) |
| <u>Non-cash items:</u> | | |
| Amortisation expense (note 8) | (3,108) | (3,108) |
| Services received free of charge (note 14) | (80,876) | (85,292) |
| Net cost of services (Statement of Comprehensive Income) | <u>(2,469,402)</u> | <u>(2,530,165)</u> |

At the end of the reporting period, the Authority had fully drawn on all financing facilities, details of which are disclosed in the financial statements.

Notes to the financial statements (Continued)

Notes to the Financial Statements

For the year ended 30th June 2015

| | | | |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Note 23 | Remuneration of members of the Accountable Authority | 2015 | 2014 |
| | | \$ | \$ |
| | Remuneration of members of the Accountable Authority | | |
| | The number of members of the Accountable Authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are: | | |
| | \$270,001 - \$280,000 | - | 1 |
| | \$280,000 - \$290,000 | 1 | - |
| | Total: | 1 | 1 |
| | | \$ | \$ |
| | Base remuneration and superannuation | 281,921 | 259,500 |
| | Annual leave and long service leave accruals | 5,363 | 7,157 |
| | Other benefits | - | 6,447 |
| | The total remuneration of members of the Accountable Authority: | 287,284 | 273,104 |

The total remuneration includes the superannuation expense incurred by the Authority in respect of members of the Accountable Authority.

Note 24 Remuneration of auditor

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

| | | |
|------------------------------------------------------------------------|--------|--------|
| Auditing the accounts, financial statements and performance indicators | 22,500 | 23,000 |
|------------------------------------------------------------------------|--------|--------|

Note 25 Commitments

Operating lease commitments:

Commitments in relation to non-cancellable leases contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:

| | | |
|-----------------------------------------------|----------------|----------------|
| Within 1 year | 297,011 | 295,656 |
| Later than 1 year, and not later than 5 years | 594,022 | - |
| | 891,033 | 295,656 |

Operating lease commitments consist of a contractual agreement for office accommodation. The basis of which contingent operating leases payments are determined is the value for lease agreement under the contract terms and conditions at current values.

The operating lease commitments are inclusive of GST.

Other expenditure commitments:

Other expenditure commitments contracted for at the reporting period but not recognised as liabilities are payable as follows:

| | | |
|-----------------------------------------------|---------------|----------|
| Later than 1 year, and not later than 5 years | 37,292 | - |
| | 37,292 | - |

Note 26 Contingent liabilities and contingent assets

At the reporting date, the Authority was not aware of any contingent liabilities or contingent assets.

Note 27 Events occurring after the end of the reporting period

No matter or circumstance has arisen since the end of the reporting period, that has significant effects on these financial statements.

Note 28 Related bodies

A related body is a body which receives more than half its funding and resources from the Authority and is subject to operational control by the Authority.

The Authority had no related bodies during the financial year.

Notes to the financial statements (Continued)

Notes to the Financial Statements

For the year ended 30th June 2015

Note 29 Affiliated bodies

An affiliated body is a body which receives more than half its funding and resources from the Authority but is not subject to operational control by the Authority.

The Authority had no affiliated bodies during the financial year.

| | 2015 | 2014 |
|--------------------------------------------------|----------|---------|
| Note 30 Other statement of receipts and payments | \$ | \$ |
| Commonwealth Grant - Christmas and Cocos Islands | | |
| Balance at the start of period | 12,708 | 813 |
| <u>Add Receipts</u> | | |
| Commonwealth grant | 2,802 | 13,122 |
| <u>Less Payments</u> | | |
| Salaries and wages | (7,443) | (1,075) |
| Other expenses | (14,841) | (152) |
| | (22,284) | (1,227) |
| Balance at the end of period | (6,774) | 12,708 |

Note 31 Supplementary financial information

Losses through theft, defaults and other causes

| | | |
|-------------------------------------------------------------------------------|----|---|
| Losses of public money and public and other property through theft or default | 48 | - |
| | 48 | - |

Notes to the financial statements (Continued)

Notes to the Financial Statements

For the year ended 30th June 2015

Note 32 Financial instruments

a) Financial risk management objectives and policies

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

Credit risk

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

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

Credit risk associated with the Authority's financial assets is minimal because the debtors are predominately government bodies.

Liquidity risk

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

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

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Authority's income or the value of its holdings of financial instruments. The Authority does not trade in foreign currency and is not materially exposed to other price risks.

b) Categories of financial instruments

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

| | 2015 \$ | 2014 \$ |
|------------------------------|------------|------------|
| Financial Assets | | |
| Cash and cash equivalents | 1,061,527 | 774,452 |
| Loans and receivables (a) | 5,764 | 17,077 |
| Financial Liabilities | | |
| Payables | 186,938 | 104,185 |

(a) The amount of loans and receivables excludes GST recoverable from ATO (statutory receivable).

c) Financial Instrument disclosures

Credit risk

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

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

Ageed analysis of financial assets

| | Carrying amount | Not past due and not impaired | Past due but not impaired | | | | Impaired Financial Assets |
|---------------------------|--------------------|-------------------------------------|---------------------------|-----------|-----------|----------------------|---------------------------------|
| | | | Up to 12 months | 1-2 years | 2-5 years | More than 5 years | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial Assets | | | | | | | |
| 2015 | | | | | | | |
| Cash and cash equivalents | 1,061,527 | 1,061,527 | - | - | - | - | - |
| Receivables (a) | 5,764 | 428 | 204 | 1,137 | 1,792 | 2,203 | - |
| | 1,067,291 | 1,061,955 | 204 | 1,137 | 1,792 | 2,203 | - |
| 2014 | | | | | | | |
| Cash and cash equivalents | 774,452 | 774,452 | - | - | - | - | - |
| Receivables (a) | 17,077 | - | 1,137 | 282 | 14,509 | 1,149 | - |
| | 791,529 | 774,452 | 1,137 | 282 | 14,509 | 1,149 | - |

(a) The amount of receivables excludes the GST recoverable from ATO (statutory receivable)

Notes to the financial statements (Continued)

Notes to the Financial Statements

For the year ended 30th June 2015

c) Financial Instrument disclosures (continued)

Liquidity risk and interest rate exposure

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

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

| | | | Interest rate exposure | Maturity dates |
|------------------------------|-------------------------------------------------------------|----------------------------|--------------------------------------|----------------------------|
| | <u>Weighted average effective interest rate</u> | <u>Carrying amount</u> | <u>Non- interest bearing</u> | <u>Up to 12 months</u> |
| | % | \$ | \$ | \$ |
| 2015 | | | | |
| <u>Financial Assets</u> | | | | |
| Cash and cash equivalents | - | 1,061,527 | 1,061,527 | 1,061,527 |
| Receivables (a) | - | 5,764 | 5,764 | 5,764 |
| | | <u>1,067,291</u> | <u>1,067,291</u> | <u>1,067,291</u> |
| <u>Financial Liabilities</u> | | | | |
| Payables | - | 186,938 | 186,938 | 186,938 |
| | | <u>186,938</u> | <u>186,938</u> | <u>186,938</u> |
| 2014 | | | | |
| <u>Financial Assets</u> | | | | |
| Cash and cash equivalents | - | 774,452 | 774,452 | 774,452 |
| Receivables (a) | - | 17,077 | 17,077 | 17,077 |
| | | <u>791,529</u> | <u>791,529</u> | <u>791,529</u> |
| <u>Financial Liabilities</u> | | | | |
| Payables | - | 104,185 | 104,185 | 104,185 |
| | | <u>104,185</u> | <u>104,185</u> | <u>104,185</u> |

(a) The amount of receivables excludes the GST recoverable from ATO (statutory receivable)

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

Notes to the financial statements (Continued)

Notes to the Financial Statements

For the year ended 30th June 2015

Note 33 Schedule of Income and expenses by service

| | Complaints Management | | Education | | Total | |
|-----------------------------------------------|-----------------------|------------------|----------------|----------------|------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| COST OF SERVICES | | | | | | |
| Expenses | | | | | | |
| Employee benefits expense | 1,284,644 | 1,388,996 | 600,736 | 549,040 | 1,885,380 | 1,938,036 |
| Supplies and services | 138,061 | 116,333 | 26,161 | 31,068 | 164,222 | 147,401 |
| Amortisation expense | 3,108 | 3,108 | - | - | 3,108 | 3,108 |
| Repairs, maintenance and consumable equipment | 11,470 | 2,136 | 4,943 | 831 | 16,413 | 2,967 |
| Other expenses | 307,108 | 312,110 | 148,193 | 131,923 | 455,301 | 444,033 |
| Total cost of services | 1,744,391 | 1,822,683 | 780,033 | 712,862 | 2,524,424 | 2,535,545 |
| INCOME | | | | | | |
| Revenue | | | | | | |
| Commonwealth grants and contributions | 2,802 | - | - | - | 2,802 | - |
| Other grants and contributions | 50,000 | - | - | - | 50,000 | - |
| Other revenue | 2,220 | 5,380 | - | - | 2,220 | 5,380 |
| Total revenue | 55,022 | 5,380 | - | - | 55,022 | 5,380 |
| NET COST OF SERVICES | 1,689,369 | 1,817,303 | 780,033 | 712,862 | 2,469,402 | 2,530,165 |
| INCOME FROM STATE GOVERNMENT | | | | | | |
| Service appropriations | 1,726,661 | 1,769,648 | 837,339 | 728,352 | 2,564,000 | 2,498,000 |
| Services received free of charge | 80,876 | 85,292 | - | - | 80,876 | 85,292 |
| Total income from State Government | 1,807,537 | 1,854,940 | 837,339 | 728,352 | 2,644,876 | 2,583,292 |
| SURPLUS FOR THE PERIOD | 118,168 | 37,637 | 57,306 | 15,490 | 175,474 | 53,127 |

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

Estimates of expenditure

The following estimates of expenditure for the year 2015–16 are prepared on an accrual accounting basis.

The estimates are required under section 40 of the *Financial Management Act 2006* and by instruction from the Department of Treasury.

The following estimates of expenditure for the 2015-16 year do not form part of the preceding:

Budget appropriation: \$2,637,000.00

Key performance indicators

Certification of key performance indicators



Government of Western Australia
Health and Disability Services Complaints Office



HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE

CERTIFICATION OF KEY PERFORMANCE INDICATORS

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Health and Disability Services Complaints Office performance and fairly represent the performance of the office for the financial year ending 30 June 2015.

A handwritten signature in black ink, reading 'Linley Anne Donaldson'.

Linley Anne Donaldson
DIRECTOR
ACCOUNTABLE AUTHORITY

Date: 18 August 2015



Our key performance indicators

Report on key performance indicators

Government goal: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

Desired outcome: Improvement in the delivery of health and disability services.

An overview of the Health and Disability Services Complaints Office (HaDSCO) key performance indicators are demonstrated in the table below:

| Key effectiveness indicator | Services | Key efficiency indicators |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Proportion of recommendations resulting in implementation by providers | 1. Complaints Management: Assessment, negotiated settlement, conciliation and investigation of complaints. | KPI 1.1 Percentage of complaints closed within legislation timeframes. KPI 1.2 Average cost per finalised complaint. |
| | 2. Education: Education and training in the prevention and resolution of complaints. | KPI 2.1 Average cost per awareness raising activity. |

Key effectiveness indicator

The key effectiveness indicator reports on the proportion of recommendations resulting in implementation by providers. HaDSCO's key focus as an Office is to improve health, mental health and disability services. As a result of HaDSCO's complaints management processes, recommendations and agreed actions are made by HaDSCO to service providers to improve the delivery of health, mental health and disability services.

The purpose of the key effectiveness indicator is to report on the extent to which service providers are making changes to improve processes, practices and policies as a result of recommendations and agreed actions made by HaDSCO that arise from complaints.

The table below presents the number of service improvements that providers implemented, as a proportion of total service improvements agreed to or recommended between 2011-12 and 2014-15:

| 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|---------|---------|---------|---------|
| 55/86 | 64/90 | 55/78 | 56/69 |

Our key performance indicators (Continued)

Key efficiency indicators – service one – complaints management

HaDSCO provides an impartial resolution service for complaints relating to health, mental health and disability services provided in WA. This service is free and available to all users and providers. HaDSCO delivers complaint management services through assessment, negotiated settlement, conciliation and investigation of complaints.

The key efficiency indicator, relating to the provision of this service, focuses on the percentage of complaints closed within legislative timeframes and the average cost per finalised complaints.

Key efficiency indicator 1.1: Percentage of complaints closed within legislative timeframes

In the management of complaints, HaDSCO works to strict timeframes set out within the *Health and Disability Services (Complaints) Act 1995* and other enabling legislation. The table below presents the actual results and targets for the legislative timeframes between 2011-12 and 2014-15:

| Legislative requirement | Legislative timeframe (days) | 2014-15 Actual % | 2014-15 Target % | 2013-14 Actual % | 2013-14 Target % | 2012-13 Actual % | 2012-13 Target % | 2011-12 Actual % | 2011-12 Target % |
|-------------------------------------------------|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Preliminary assessment by Director s.34 (1) | 28 | 100 | 90 | 92 | 90 | 91 | 90 | 83 | 90 |
| Preliminary assessment by Director s.34 (1) (c) | 56 | 93 | 80 | 86 | 80 | 72 | 80 | 73 | 80 |
| Notice to provider and others s.35 | 14 | 93 | 90 | 89 | 90 | 86 | 90 | 90 | 90 |

Significant changes were implemented in 2014-15 to improve the timeliness, efficiency and effectiveness of HaDSCO's complaints management process. These build on a number of improvements that were made to the complaints management process in 2013-14 which are now firmly embedded into the complaints process.

All changes in 2014-15 complied with the legislative requirements of the *Health and Disability Services (Complaints) Act 1995*, Part 6 of the *Disability Services Act 1993*, the *Mental Health Act 2014*, and the National Law. The changes were made to:

- Increase consumer and provider satisfaction due to complaints being resolved in a more timely, less administrative, and more effective way.
- Provide staff with clearer expectations of their respective roles, and therefore increase corporate accountability.
- Ensure that HaDSCO's positive reputation as a complaints entity is safeguarded.

Key efficiency indicator 1.2 : Average cost per finalised complaint

The purpose of the efficiency indicator is to demonstrate the average cost per finalised complaint. It provides information on how much each complaint costs when managed through the complaints processes. HaDSCO forecasted that 2,519 complaints would be managed during the 2014-15 financial year; however the Office managed a reduced number of complaints - 2,434 - which resulted in a difference between the target and the actual.

Our key performance indicators (Continued)

The table below demonstrates the average cost per complaint, actual and targets, from 2011-12 to 2014-15:

| 2014-15 Actual \$ | 2014-15 Target \$ | 2013-14 Actual \$ | 2013-14 Target \$ | 2012-13 Actual \$ | 2012-13 Target \$ | 2011-12 Actual \$ | 2011-12 Target \$ |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 694 | 670 | 731 | 657 | 685 | 670 | 666 | 650 |

Key efficiency indicators – service two – education

This key service supports the delivery of the broader role of the Office which includes:

- Collaborating with groups to review and identify the causes of complaints and suggest ways to minimise those causes.
- Assisting providers to improve complaints procedures and to train their staff to effectively manage complaints.
- Sharing information and reporting on the work of the Office to specific stakeholders and the public in general.

The key efficiency indicator, relating to the provision of this service, focuses on the average cost per awareness raising activity.

Over the past two years, HaDSCO has been allocating an increased proportion of resources to deliver service two. In 2012-13, the Office established a program to review the allocation of resources toward service two.

The outcome of this review demonstrated that a number of the positions from across the Office contribute significantly to the delivery of this service. This movement in the allocation of resources to service two reflects HaDSCO's evolution and progression into delivering education and training initiatives to a broad range of stakeholders, to share improvements and assist in the effective resolution of complaints.

Group one costs: Development, production and distribution of information.

The group one cost relates to the resources that contribute to the development, production and distribution of information. During the 2014-15 financial year HaDSCO delivered a number of projects and initiatives based on ten key stakeholder engagement strategies. Examples of work that contributed to this cost include:

- Finalised the tailored Aboriginal video resource '*Speak up - Do something about it*' to increase awareness of HaDSCO's complaints process.
- Developed an Effective Complaint Handling Training Manual to promote good complaints handling practice.
- Released a series of reports including: An Overview of Health Complaints in Western Australia and other tailored reports identifying key health complaint data trends across the sector.
- Launched additional resources on HaDSCO's online engagement site - Collaborate and Learn - including a case study library and resources log, to provide useful tools to effectively manage complaints and promote system improvements.

The table below demonstrates group one actual costs: Development, production and distribution of information from 2011-12 to 2014-15:

| | 2014-15 Actual \$ | 2013-14 Actual \$ | 2012-13 Actual \$ | 2011-12 Actual \$ |
|---------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Group one costs: Development, production and distribution of information | 327,709 | 282,183 | 250,584 | 166,093 |

Our key performance indicators (Continued)

Group two costs: Presentations, awareness raising, consultations and networking.

The group two cost relates to the resources that contribute to presentations, awareness raising, consultations and networking. During the 2014-15 financial year, examples of work that contributed to this cost include extensive engagement programs for a number of key projects, including:

- The Disability Focus Group Series;
- Greater collaboration with Australian Health Practitioner Regulation Agency;
- Increasing HaDSCO's regional presence through tailored outreach programs;
- Development of the multi-agency Mental Health Complaints Partnership Agreement, with community and mental health sector involvement.

The table below demonstrates group two actual costs: Presentations, awareness raising, consultations and networking from 2011-12 to 2014-15:

| | 2014-15 Actual \$ | 2013-14 Actual \$ | 2012-13 Actual \$ | 2011-12 Actual \$ |
|----------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Group two costs: Presentations, awareness raising, consultations and networking | 452,323 | 430,679 | 341,400 | 245,843 |

Key efficiency indicator 2.1: Average cost per awareness raising activity

The purpose of this efficiency indicator is to demonstrate the average cost per awareness raising activities for the Office.

HaDSCO forecasted that 307 engagement activities would be delivered during the 2014-15 financial year, an increase of 10 percent on 2013-14 financial year activity. However, the Office delivered a record number of engagement activities during this financial year - a total of 523. The increase relates to additional engagement with health, disability and mental health stakeholders, which resulted in a reduction to the average cost per awareness raising activity.

HaDSCO delivered 523 outreach activities including:

- 176 awareness raising activities to promote HaDSCO services, increase knowledge of effective complaints management practices and raise awareness of patterns or trends resulting from analysis of complaints data.
- 93 networking opportunities to build relationships with providers, central government agencies and consumer groups; and
- 254 consultations with key groups to share and exchange views, seek advice and participate in meaningful discussion.

The table below presents the average cost per awareness raising activity between 2011-12 and 2014-15:

| | 2014-15 Actual \$ | 2014-15 Target \$ | 2013-14 Actual \$ | 2013-14 Target \$ | 2012-13 Actual \$ | 2012-13 Target \$ | 2011-12 Actual \$ | 2011-12 Target \$ |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Average cost per awareness raising activity | 865 | 1533 | 1,544 | 1,502 | 1,538 | 1,450 | 1,336 | 1,370 |

Ministerial directives

HaDSCO reports to the Hon. Dr Kim Hames, Deputy Premier; Minister for Health; Tourism.

Other financial disclosures

Pricing policies of services provided

HaDSCO receives revenue under a Service Delivery Arrangement with the Australian Government. Under this arrangement HaDSCO handles enquiries and complaints from the Indian Ocean Territories (IOT) about the delivery of health, disability and mental health services.

Each year HaDSCO recoups costs from the Australian Government for any complaints received from the IOT. Cost recovery is based on the average cost per complaint published in the annual report. Administrative costs and the costs of any travel to the IOT by HaDSCO staff and any promotional materials are also recouped in full.

Capital works

No capital works were undertaken during 2014-15.

Employment and industrial relations

Employment of staff

As at 30 June 2015 there were 16 staff (15 FTEs) undertaking the work of the Office.

There were 16 people directly employed by HaDSCO, including 13 full-time employees and 3 part-time employees. This includes contract staff providing short term expertise, people on unpaid leave, and people on secondment.

All employees are public sector employees operating in executive, complaints resolution, communications, research and administrative roles. The following table provides a breakdown of the categories of employment for staff as at 30 June over the past two years:

| Employee Capacity | Number of staff 2014-15 | Number of staff 2013-14 |
|---------------------|-------------------------|-------------------------|
| Full-time permanent | 7 | 9 |
| Full-time contract | 6 | 6 |
| Part-time permanent | 2 | 3 |
| Part-time contract | 1 | 1 |

Accounting for performance

HaDSCO's performance development system includes identifying expectations and recognition of performance. Managers and staff annually formalise a performance development plan that provides a framework to:

- Identify and agree on the expectations of staff and the work that will be carried out aligned to the Strategic and Operational plans
- Identify and acknowledge the contribution employees make in the achievement of HaDSCO's operational and strategic goals; and
- Develop and retain skilled employees and assist employees to achieve their professional and personal career goals.

Shares in statutory authorities

HaDSCO does not have shares in statutory authorities.

Governance disclosures

Shares in subsidiary bodies

HaDSCO does not have any subsidiary bodies.

Interests in contracts by senior officers

HaDSCO’s Code of Conduct and Conflict of Interest and Outside Interest Policy define conflict of interest and appropriate action to take where a conflict arises between the employee’s public duty and their private interests, including during tender and purchasing processes.

Employees are aware through the Code of Conduct that they have an obligation to disclose interests that could reasonably create a perception of bias, or an actual conflict of interest. There have been no declarations of an interest in any existing or proposed contracts by senior officers.

Benefits to senior officers through contracts

No senior officers have received any benefits through contracts.

Other legal requirements

Insurance paid to indemnify directors

HaDSCO does not have any directors as defined in Part 3 of the *Statutory Corporations (Liability of Directors) Act 1996*.

Advertising, market research, polling and direct mail

Expenditure on advertising, market research, polling and direct mail

In accordance with s175ZE of the *Electoral Act 1907* we are required to report on expenditure incurred during the financial year in relation to advertising, market research, polling, direct mail and media advertising. During this reporting period we incurred the following expenses:

| Item | Cost |
|---------------------------------|------------|
| Advertising agencies | \$13989.80 |
| Market research organisations | Nil |
| Polling organisations | Nil |
| Direct mail organisations | \$137.74 |
| Media advertising organisations | Nil |

Other legal requirements (Continued)

Disability Access and Inclusion Plan

Disability Access and Inclusion Plan outcomes

The *Disability Services Act 1993* requires all state and local government authorities to develop and implement a Disability Access and Inclusion Plan (DAIP). This helps to ensure people with disability have the same opportunities as other people in the community to access services, facilities and information.

We remain committed to ensuring that people with disability, their carers and families have access to our services, information and facilities by implementing strategies and initiatives identified in the DAIP.

The seven desired outcomes that we want to achieve, as outlined in our DAIP, are:

1. People with disability have the same opportunities as other people to access the services and events that we organise.
2. People with disability have the same opportunities as other people to access the buildings and facilities that we use.
3. People with disability receive information from us in a format that will enable them to access the information as readily as other people are able to access it.
4. People with disability receive the same level and quality of service from our staff as other people in the community.
5. People with disability have the same opportunities as other people to make complaints to us.
6. People with disability have the same opportunities as other people to participate in any public consultation we host.
7. People with disability have the same opportunities as other people to seek employment, professional development and work experience with us.

To achieve these outcomes, we progressed the following strategies during 2014-15:

- Incorporated the objectives of the DAIP into our 2014-15 operational plan and other procedures and policies.
- Continued with our Consumer and Carer Reference Group (CCRG), which includes participants who represent health, disability and mental health service users.
- Delivered 13 focus groups to people with disability, their carers and family to seek feedback on how we can make our services more accessible.
- Consulted with a vision impaired community member to understand how to access information on our website with the JAWS program, using the feedback to improve our website accessibility.
- Improved employee awareness of disability and access issues by continuing to implement the HaDSCO Workforce and Diversity Plan 2013-16, publishing the DAIP on our intranet site, and by promoting the DAIP during the induction process.

Other legal requirements (Continued)

Compliance with Public Sector Standards and Ethical Codes

In the administration of the Office, HaDSCO has complied with the Public Sector Standards in Human Resource Management, the Code of Ethics and HaDSCO's Code of Conduct. Procedures and policies are in place, designed to ensure compliance by all HaDSCO staff.

The following table identifies action taken to monitor and ensure compliance with public sector standards and ethical codes.

Significant action to monitor and ensure compliance with Western Australian Public Sector Standards

HaDSCO staff are aware of, and are required to comply with, the Public Sector Standards in Human Resource Management. This is supported by policies and procedures relating to the Standards, regular professional development for staff about the Standards and related policies, and the inclusion of the policies in the induction process.

Monitoring provisions include:

- A monitoring process to ensure there are current performance management processes in place for all employees.
- For recruitment, selection and appointment, an individual review of each process is undertaken prior to the final decision to ensure compliance with the Employment Standard.
- The continuous development of policies and procedures in accordance with the Standards to ensure compliance and relevancy.

Compliance issues: Internal reviews have shown compliance with the Standards is achieved before any final decision is made. There have been no breaches found of the public sector standards.

Significant action to monitor and ensure compliance with the Code of Ethics and the Office's Code of Conduct

The Code of Ethics and HaDSCO's Code of Conduct are available on the HaDSCO Hub (intranet) and are part of the Induction for new staff.

Guidelines for Ethical and Accountable Decision Making have been developed as a ready reference for staff when dealing with a difficult situation related to the Ethical Codes. The Guidelines are based on the Accountable and Ethical Decision Making in the WA Public Sector training materials provided by the Public Sector Commissioner.

HaDSCO's Code of Conduct supports the Code of Ethics and links our corporate values with expected standards of personal conduct. All staff and contractors who carry out work for, or on behalf of, the Office are required to comply with the spirit of the Code of Conduct.

The following processes have been established to ensure compliance:

- On appointment, all staff sign the Code of Conduct to confirm their understanding of its application in the workplace and swear an oath or make an affirmation about maintaining appropriate confidentiality.
- Ethics and conduct related policies have been developed, including policies and procedures for declaring and managing conflicts of interest and gifts. The ethical codes and related policies are included in the induction process and there is regular professional development for managers and staff about the ethical codes and related policies.
- A policy and internal procedures relating to Public Interest Disclosures strongly support disclosures being made by staff.
- Director sign off, for management of conflicts of interest and gifts and benefits.
- High level consideration and sign off of requests for review of the Office's handling of a complaint and any complaints about the conduct of staff; and
- Seeking opportunities to improve current practices through internal auditing and reviewing policies and procedures to ensure compliance and relevancy.

Compliance issues: There has been no evidence of non-compliance with the ethical codes.

Other legal requirements (Continued)

Good governance framework

We remain committed to good governance and continue to adhere to the Public Sector Commission's Good Governance Guide, which provides nine key governance principles. The mechanisms we have in place to address these nine principles are outlined below.

1 Government and public sector relationship

As an independent body, HaDSCO reports to the Hon. Dr Kim Hames, Deputy Premier; Minister for Health; Tourism.

2 Management and oversight

We are in the last year of our three year strategic plan. The plan was developed in consultation with staff and external stakeholders, in 2012-13. This plan, which is publicly available on our website, clearly defines our vision and the five key strategic goals that support this vision. We also create an operational plan each year which outlines the projects and other activities that will be undertaken during the financial year to implement each of the five strategic goals.

3 Organisational structure

HaDSCO is a small Office, effectively delivering services through two teams, Complaints and System improvement which focuses on the management and resolution of complaints and Strategic Services and Community Engagement which focuses on the delivery of corporate services and education and outreach programs. These two teams are led by the Executive who are responsible for joint decision making and leadership of the Office.

4 Operations

HaDSCO's daily operations were guided by the Operational Plan 2014-15. This plan set out the work that was to be completed by HaDSCO over a 12 month period. The Operational Plan was also supported by a Stakeholder Engagement Strategy 2014-15.

5 Ethics and integrity

HaDSCO is governed by Six key values:

Integrity

Accessibility

Improvement

Empowerment

Confidentiality

Responsiveness

In line with these values, HaDSCO observes an independent and impartial approach to the conduct of complaints management processes. Ethics and integrity are contained within the Code of Conduct and Guidelines for Ethical and Accountable Decision Making. The following processes are in place to ensure staff compliance with these codes:

- sign an Oath/Affirmation to confirm their understanding of HaDSCO's role and the requirements of confidentiality under the *Health and Disability Services (Complaints) Act 1975*.
- sign to confirm their understanding of the application of the Code; and
- made aware of the Conflict of Interest and Outside Interest Policy and registers and how they should be declared. When declarations are made, the Director assesses the appropriate action to be taken.

Other legal requirements (Continued)

6

People

The HaDSCO Workforce and Diversity Plan 2013-16 provides a strong workforce planning framework to support the achievement of the goals in the strategy. HaDSCO aims to attract, develop and retain a skilled and valued workforce with a culture that supports high quality, responsive and efficient service; and to treat people professionally, courteously and with appropriate sensitivity.

7

Finance

Financial integrity and accountability is secured through reporting to the Executive Team in conjunction with an external Chief Financial Officer. Health Corporate Network, through a Service delivery Arrangement with this Office, provides financial and payroll support which is governed by the Health Accounting Manual, Health Corporate Network.

HaDSCO is audited by the Office of the Auditor General each year to ensure compliance with the *Financial Management Act 2006* and Treasurer's Instructions. Financial and human resource audits are also internally undertaken to ensure compliance, including an internal audit of HaDSCO's leave liability.

8

Communication

To ensure services are accessible, open and responsive, HaDSCO communicates with its key stakeholders using a range of communication channels, adapted to suit the audience. Further information is included in the Empowerment and Education section of the report. HaDSCO also provides guidance for dealing with people with disabilities and people from culturally and linguistically diverse backgrounds.

Policies covering record keeping, records management and communications ensure that the appropriate safeguards are in place for the confidentiality and integrity of information, preventing unauthorised disclosure. Quarterly staff meetings, separate team meetings and the HaDSCO Hub (intranet) provide a forum for sharing information internally.

9

Risk management

HaDSCO commenced a review on the Risk Management Policy and Plan in 2014-15. These detail controls that have been identified for significant risks and any action required is assigned to a relevant member of the management.

Record Keeping Plan

In the 2013-14 Annual Report, we mistakenly reported that the HaDSCO Record Keeping Plan (RKP) was approved by the State Records Office of Western Australia (SRO).

During 2014-15 HaDSCO worked with SRO to review the record keeping processes and established the RKP. The plan sets out a number of key documents that require review, update and implementation to ensure compliance with the Records Management Framework and promote best practice record keeping. It outlines the record keeping requirements under the *State Records Act 2000* and assists the Office to improve the quality and consistency of record keeping. The Plan has now been submitted for approval to the SRO.

HaDSCO's record keeping framework consists of six key principles. Below is an overview of each principle and what we have actioned during 2014-15:

1. Proper and Adequate Records

This is to ensure that records are created and kept in order to properly and adequately record organisational performance functions.

Key initiatives actioned during 2014-15:

Our records are kept in a manner that is consistent with any written law to which HaDSCO is subject when performing its functions. During the year we completed planning to ensure that mental health complaint information is captured and stored electronically. This work is being undertaken in preparation for the implementation of the *Mental Health Act 2014*, planned for November 2015.

We continued to use TRIM as our Electronic Document Records Management System (EDRMS). All incoming correspondence and significant internal documents are saved electronically into the EDRMS. HaDSCO staff are required to save their final electronic documents into the EDRMS as well as saving electronic mail and facsimiles directly into the system.

The database used to store complaint information is CRED.

2. Policies and Procedures

This is to ensure that record keeping programs are supported by policy and procedures; these policy and procedures are formally documented as a reference.

Key initiatives actioned during 2014-15:

We commenced a review of our policies and procedures late in the financial year. The Office will be working closely with SRO to seek advice on the updated policies and procedures, aiming for implementation in 2015.

3. Language Control

This is to ensure that appropriate controls are in place to identify and name government records.

Key initiatives actioned during 2014-15:

We commenced a review of our Thesaurus undertaking consultation with staff across the Office.

The amended Thesaurus will be developed to ensure that records are defined in an accurate and accessible way. The thesaurus will incorporate corporate services records, communications and research and be developed with our own unique functional terms for our two key service areas: complaints management and education and training in the prevention of complaints.

4. Preservation

This is to ensure that all HaDSCO records are appropriately protected and preserved as long as required for legal, legislative, financial, administrative and historical purposes.

Key initiatives actioned during 2014-15:

HaDSCO has developed strategies for the recovery of the Records Management System (RMS) in the event of a disaster. The Office will be working with SRO for advice on the strategies and will aim for implementation in 2015-16.

Other legal requirements (Continued)

5. Retention and Disposal

This is to ensure that records are retained and disposed of in accordance with an approved disposal authority.

In 2015-16, HaDSCO will contribute to the SRO, Sector Disposal Authority for records relating to the provision of mental health services by government agencies.

6. Compliance

HaDSCO will be implementing various activities to ensure that all staff are aware of their record keeping responsibilities and compliance with the RKP.

Key initiatives actioned during 2014-15:

The efficiency and effectiveness of the record keeping training program is reviewed regularly through monitoring staff use of the EDRMS to ensure that staff are following the record keeping requirements.

All records related plans, policies, guidelines and manuals are available on the HaDSCO Hub (intranet) to assist staff to comply with their record keeping requirements and include user friendly guides for training staff.

This is part of the induction process for new staff and is also available as a resource for existing staff members. The induction process also includes individual training sessions with new staff members conducted by their manager. Follow up training and help desk assistance are provided as required.

Government policy requirements

Substantive equality

We aim to make our services accessible to all people living in WA; however we recognise that making a complaint can be particularly difficult for some people, due to cultural, linguistic and geographical challenges.

As a result we:

- Allow people to make enquiries to our Office through different mediums, such as over the phone, in writing (letter or email) or in person by appointment.
- Ongoing commitment to the Consumer and Carer Reference Group (CCRG) which includes key Culturally and Linguistically Diverse (CALD) advocates as a partner – Ethnic and Disability Advocacy Centre to ensure HaDSCO is responsive to the needs of the CALD community.
- Partnered with Yorgum Aboriginal Corporation to develop a resource – [Speak up: do something about it.](#)
- Promote our TTY and country toll free number in our publications and on our website.
- Provide access to our publications in different formats and languages.
- Recognise that parts of our legislation can be difficult to comply with, for example the requirement that people must attempt to resolve their complaint with the provider before contacting us. We therefore exercise discretion about when this requirement should be enforced.

It is important that any new policy or initiative is accessible and relevant to all of our stakeholders, including disadvantaged groups. To assist us to achieve this goal we established a CCRG. This group provides HaDSCO with a rich source of information and feedback to ensure we remain inclusive and relevant to our stakeholders.

Other legal requirements (Continued)

Occupational Safety and Health and injury management

We take our commitment to providing and maintaining a safe and healthy work environment for all employees, contractors and visitors seriously. We engage in best practice Occupational Safety and Health (OSH) management practices required under the *Occupational Safety and Health Act 1985* including reporting, training, discussion and accountability in order to minimise workplace injuries.

Additionally, our proactive approach to injury management has seen us commence a review of our workers' compensation, injury management and return to work policies in accordance with the *Workers' Compensation and Injury Management Act 1981*. As an ongoing measure we encourage employees to identify potential risks and report these to the HaDSCO OSH representative.

During 2014-15 we:

- Provided ergonomic assessments for employees.
- Engaged the services of an Employee Assistance Program.
- Formed an Occupational Safety and Health Committee.
- Updated and developed a suite of new policies.
- Developed a dedicated space on the HaDSCO Hub (intranet) to make the OSH policies available.
- Offered staff the opportunity to receive a free annual influenza vaccination.

The table below indicates our annual performance in relation to OSH and injury management.

| Indicator | Results for 2014-15 |
|----------------------------------------------------------------------------------------------------------------------|---------------------|
| Number of fatalities | Zero (0) |
| Lost time injury/disease (LTI/D) incidence rate | 2/21 |
| Lost time injury severity rate | Zero (0) |
| Percentage of injured workers returned to work within 13 weeks | 100% |
| Percentage of injured workers returned to work within 26 weeks | 100% |
| Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities | 3/4 (75%) |