

4.

Disclosures and legal compliance

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

Governance

Cooperate, Comply, Communicate
Deliver our services within a sound governance framework

In this section we report on the outcomes achieved under the strategic priority of Governance for the Office.

We provide information about our financial statements and budget, Key Performance Indicators, financial and governance disclosures and other legal and government policy requirements.

4.1. Key highlights

Key highlights for 2016-17 included:

- Maintained strong performance against Key Performance Indicators and operated within a strong accountable framework.
- Commenced a review of the Office's *Disability Access Inclusion Plan (DAIP)* to ensure that people with disability, their carers and families have access to our services, information and facilities.
- Implemented a new *Code of Conduct* for HaDSCO which sets out the expected standards of conduct and integrity for staff, aligned to the model promoted by the Public Sector Commission.
- Updated and introduced a number of human resources policies to support staff as part of a Human Resources Policy Framework within the Office.
- Established a *Risk Management Framework* to assist the Office in managing strategic and operational risks.

4.2. Financial statements

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

Opinion

I have audited the financial statements of the Health and Disability Services Complaints Office which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Health and Disability Services Complaints Office for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Responsibility of the Director 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, the *Financial Management Act 2006* 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Health and Disability Services Complaints Office. The controls exercised by the 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 (the overall control objectives).

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

In my opinion, in all material respects, the controls exercised by the 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 2017.

The Director's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the Key Performance Indicators**Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Health and Disability Services Complaints Office for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the 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 2017.

The 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 internal control as the Director determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

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

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Health and Disability Services Complaints Office for the year ended 30 June 2017 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.



DON CUNNINGHAME
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
30 August 2017

Certification of Financial Statements



Government of Western Australia
Health and Disability Services Complaints Office



HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE

CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying 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 ended 30 June 2017 and the financial position as at 30 June 2017.

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

A stylized signature in blue ink, consisting of a series of loops and a long horizontal stroke.

Pratthana Hunt
CHIEF FINANCE OFFICER

A stylized signature in blue ink, with the name 'Sarah Cowie' written in a cursive script.

Sarah Cowie
DIRECTOR
ACCOUNTABLE AUTHORITY

30 August 2017

30 August 2017



Statement of Comprehensive Income

Health and Disability Services Complaints Office

Statement of Comprehensive Income For the year ended 30th June 2017

	Note	2017 \$	2016 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	6	1,798,595	2,142,307
Supplies and services	8	192,829	253,525
Depreciation and amortisation expense	9	1,998	3,171
Repairs, maintenance and consumable equipment	10	1,536	491
Other expenses	11	563,601	520,163
Total cost of services		2,558,559	2,919,657
INCOME			
Revenue			
Commonwealth grants and contributions	13a	8,458	23,243
Other grants and contributions	13b	-	26,364
Other revenue	14	8,480	1,335
Total revenue		16,938	50,942
Total income other than income from State Government		16,938	50,942
NET COST OF SERVICES		2,541,621	2,868,715
INCOME FROM STATE GOVERNMENT			
Service appropriations	15	2,701,000	2,637,000
Services received free of charge	16	256,895	254,852
Total income from State Government		2,957,895	2,891,852
SURPLUS FOR THE PERIOD		416,274	23,137
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		416,274	23,137

See also note 36 'Schedule of Income and Expenses by Service'.

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



Statement of Financial Position

Health and Disability Services Complaints Office

Statement of Financial Position

As at 30th June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	26	1,317,454	825,442
Restricted cash and cash equivalents	17,26	-	15,609
Receivables	18	152,327	108,324
Other current assets	19	541	19,469
Total Current Assets		1,470,322	968,844
Non-Current Assets			
Plant and equipment	20	5,551	7,549
Total Non-Current Assets		5,551	7,549
Total Assets		1,475,873	976,393
LIABILITIES			
Current Liabilities			
Payables	23	154,339	108,831
Provisions	24	385,226	354,772
Total Current Liabilities		539,565	463,603
Non-Current Liabilities			
Provisions	24	118,451	111,207
Total Non-Current Liabilities		118,451	111,207
Total Liabilities		658,016	574,810
NET ASSETS		817,857	401,583
EQUITY			
Accumulated surplus	25	817,857	401,583
TOTAL EQUITY		817,857	401,583

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



Statement of Changes in Equity

Health and Disability Services Complaints Office

Statement of Changes in Equity

For the year ended 30th June 2017

	Note	2017 \$	2016 \$
BALANCE OF EQUITY AT START OF PERIOD		401,583	378,446
ACCUMULATED SURPLUS	25		
Balance at start of period		401,583	378,446
Surplus for the period		416,274	23,137
Balance at end of period		817,857	401,583
BALANCE OF EQUITY AT END OF PERIOD		817,857	401,583

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

Statement of Cash Flows

Health and Disability Services Complaints Office

Statement of Cash Flows

For the year ended 30th June 2017

	Note	2017 \$ Inflows (Outflows)	2016 \$ Inflows (Outflows)
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations	15	2,701,000	2,637,000
Net cash provided by State Government		2,701,000	2,637,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,802,722)	(2,360,266)
Supplies, services and other payments		(431,201)	(548,152)
Receipts			
Commonwealth grants and contributions		8,458	23,243
Other grants and subsidies		-	26,364
Recoveries and other receipts		8,480	1,335
Net cash used in operating activities	26	(2,216,985)	(2,857,476)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(7,612)	-
Net cash used in investing activities		(7,612)	-
Net increase / (decrease) in cash and cash equivalents		476,403	(220,476)
Cash and cash equivalents at the beginning of the period		841,051	1,061,527
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	26	1,317,454	841,051

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

Notes to the Financial Statements

Health and Disability Services Complaints Office

Notes to the Financial Statements

For the year ended 30th June 2017

Note 1 Australian Accounting Standards

General

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

The 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 2017.

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 2006* 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 AASB.

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

(b) Basis of Preparation

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

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

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

(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 15 '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.

Health and Disability Services Complaints Office

Notes to the Financial Statements

For the year ended 30th June 2017

Note 2 Summary of significant accounting policies(continued)

(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) Plant and Equipment

Capitalisation/Expensing of assets

Items of plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

Plant and equipment are initially recognised at cost.

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

Subsequent measurement

All items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

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

In order to apply this policy, the following method is utilised :

* Plant and equipment - straight line

The assets' useful life is reviewed annually. Estimated useful life for this class of depreciable asset is:

Office equipment	4 years
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(f) Intangible Assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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

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

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) 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
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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.

(g) Impairment of Assets

Plant and equipment, and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount. 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.

Health and Disability Services Complaints Office

Notes to the Financial Statements

For the year ended 30th June 2017

Note 2 Summary of significant accounting policies(continued)

(g) Impairment of Assets (continued)

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 22 'Impairment of assets' for the outcome of impairment reviews and testing.

Refer also to note 2(i) 'Receivables' and note 18 'Receivables' for impairment of receivables.

(h) 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.

(i) Financial Instruments

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

- 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
- * Restricted 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.

(j) Cash and Cash Equivalents

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

(k) Accrued Salaries

Accrued salaries (see note 23 'Payables') represent the amount due to employees but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Authority considers the carrying amount of accrued salaries to be equivalent to its fair value.

(l) 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(i) 'Financial Instruments' and note 18 'Receivables'.

Health and Disability Services Complaints Office

Notes to the Financial Statements For the year ended 30th June 2017

Note 2 Summary of significant accounting policies(continued)

(l) Receivables (continued)

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 entities in the GST group include the Department of Health, North Metropolitan Health Service, East Metropolitan Health Service, South Metropolitan Health Service, Child and Adolescent Health Service, Health Support Services, WA Country Health Service, Mental Health Commission, 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.

(m) 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(i) 'Financial instruments' and note 23 'Payables'.

(n) 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 24 '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.

Notes to the Financial Statements
For the year ended 30th June 2017

Note 2 Summary of significant accounting policies(continued)

(n) Provisions (continued)

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.

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(o) '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 11 'Other expenses' and note 24 'Provisions'.

(o) 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 funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(p) 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.

(q) 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.

Health and Disability Services Complaints Office

Notes to the Financial Statements

For the year ended 30th June 2017

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.

Long Service Leave

Several 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.

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, or adopted, for annual reporting periods beginning on or after 1 July 2016 that impacted on the Authority.

Title	
AASB 1057	<i>Application of Australian Accounting Standards</i> This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.
AASB 2014-4	<i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i> 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.
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> 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 determined that the application of the Standard has no financial impact.
AASB 2015-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i> This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.
AASB 2015-6	<i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i> The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. 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	<i>Financial Instruments</i> This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1. The Authority has not yet determined the application or the potential impact of the Standard.	1 Jan 2018

Health and Disability Services Complaints Office

Notes to the Financial Statements

For the year ended 30th June 2017

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

Future impact of Australian Accounting Standards not yet operative (continued)

Title	Operative for reporting periods beginning on/after
<p>AASB 15 <i>Revenue from Contracts with Customers</i></p> <p>1 Jan 2019</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.</p> <p>The Authority's income is principally derived from appropriations which will be measured under AASB 1058 Income of Not-for-Profit Entities and will be unaffected by this change. However, the Authority has not yet determined the potential impact of the Standard on other revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Authority has discharged its performance obligations.</p>	
<p>AASB 16 <i>Leases</i></p> <p>1 Jan 2019</p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Authority has not yet determined the application or the potential impact of the Standard.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating lease commitments for \$299,993. The Authority anticipates most of this amount will be brought onto the statement of financial position, excepting amounts pertinent to short-term or low-value leases. Interest and amortisation expense will increase and rental expense will decrease.</p>	
<p>AASB 1058 <i>Income of Not-for-Profit Entities</i></p> <p>1 Jan 2019</p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
<p>AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i> [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]</p> <p>1 Jan 2018</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>	
<p>AASB 2014-1 <i>Amendments to Australian Accounting Standards</i></p> <p>1 Jan 2018</p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
<p>AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>1 Jan 2018</p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
<p>AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>1 Jan 2018</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>	

Health and Disability Services Complaints Office

Notes to the Financial Statements

For the year ended 30th June 2017

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

Future impact of Australian Accounting Standards not yet operative (continued)

Title	Operative for reporting periods beginning on/after
<p>AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not-For-Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Authority has not yet determined the application or the potential impact of AASB 15.</p>	1 Jan 2019
<p>AASB 2016-2 <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i></p> <p>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 Jan 2017
<p>AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Authority has not yet determined the application or the potential impact.</p>	1 Jan 2018
<p>AASB 2016-4 <i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i></p> <p>This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement. The Authority has not yet determined the application or the potential impact.</p>	1 Jan 2017
<p>AASB 2016-7 <i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 for not-for-profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.</p>	1 Jan 2017
<p>AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i></p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019

Health and Disability Services Complaints Office

Notes to the Financial Statements

For the year ended 30th June 2017

Note	6	Employee benefits expense	2017 \$	2016 \$
		Salaries and wages (a) (b) (d)	1,628,744	1,937,204
		Superannuation - defined contribution plans (c) (d)	169,851	205,103
			<u>1,798,595</u>	<u>2,142,307</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) There were \$11,121 costs incurred in this financial year for services provided for the Christmas & Cocos Islands (see note 33)(2016 nil).

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

(d) The Authority engaged in the following significant related party transactions with other government related entities:

Employee benefits expenses (including superannuation) paid to the Public Sector Commission	55,776	-
Employee benefits expenses (including superannuation) payable to the Disability Services Commission	11,646	36,982
Superannuation paid or payable to West State, Gold State and GESB	153,546	188,863

Employment on-costs expenses, such as workers' compensation insurance, are included at note 11 'Other Expenses'.

Note 7 Compensation of Key Management Personnel

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

Compensation of members of the accountable authority

Compensation Band (\$)	2017	2016
\$120,001 - \$130,000	-	1
\$170,001 - \$180,000	-	1
\$280,000 - \$290,000	1	-
Total:	<u>1</u>	<u>2</u>
	\$	\$
Short-term employee benefits	219,648	227,681
Post-employment benefits	36,560	51,183
Other long-term benefits	<u>26,445</u>	<u>26,054</u>
Total compensation of members of the accountable authority	<u>282,653</u>	<u>304,918</u>

Note 8 Supplies and services

Medical advice and consultation	13,376	55,271
Communications (a)	17,437	24,363
Fuel, light and power	6,886	7,102
Computer services (a)	123,954	139,375
Legal expenses (a)	12,762	4,629
Printing and stationery	13,826	16,547
Food supplies	755	2,146
Other	<u>3,833</u>	<u>4,092</u>
	<u>192,829</u>	<u>253,525</u>

(a) The Authority engaged in the following significant related party transactions with other government related entities:

Communication services paid to the Department of Finance	1,245	1,437
Computer services paid to the Disability Services Commission	7,917	-
Computer services provided free of charge from the Department of Health	-	119,900
Computer services provided free of charge from the Health Support Services	88,552	-
Legal expenses provided free of charge from the State Solicitor's Office	12,762	4,629

Health and Disability Services Complaints Office

Notes to the Financial Statements

For the year ended 30th June 2017

Note 9 Depreciation and amortisation expense	2017	2016
	\$	\$
<u>Depreciation</u>		
Office equipment	1,998	63
<u>Amortisation</u>		
Computer software	-	3,108
Total depreciation and amortisation expense	1,998	3,171
Note 10 Repairs, maintenance and consumable equipment		
Repairs and maintenance	449	446
Consumable equipment	1,087	45
	1,536	491
Note 11 Other expenses		
Employment on-costs (a)	10,301	14,739
Staff development and transport costs (b)	27,254	32,337
Insurance (b)	5,557	5,204
Motor vehicle expenses	7,103	4,038
Operating lease expenses (b)	356,173	347,667
Doubtful debts expense	2,577	-
Human resources consultancies (b)	92,749	73,236
Audit fees (b)	28,871	22,500
Accounting and financial consultancies (b)	12,112	8,657
Christmas and Cocos Islands (c)	19,163	860
Other	1,741	10,925
	563,601	520,163

(a) Includes workers' compensation insurance. Any on-costs liability associated with the recognition of annual and long service leave liability is included at note 24 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) The Authority engaged in the following significant related party transactions with other government related entities:

Staff development and transport costs paid to Public Sector Commission	3,600	-
Insurance premium paid to RiskCover	5,557	5,204
Operating lease expenses for motor vehicle lease paid to the Statefleet	9,789	5,772
Operating lease expenses for office accommodation fit-out to the Department of Finance	70,239	77,277
Human resources consultancies provided free of charge from the Department of Health	-	44,389
Human resources consultancies provided free of charge from Health Support Services	73,230	-
Audit fee paid to the Office of the Auditor General	23,000	22,500
Accounting and financial consultancies provided free of charge from Health Support Services	8,077	-
Accounting and financial consultancies provided free of charge from the Department of Health	4,035	8,658

(c) See note 33 for the Statement of receipts and payments.

Note 12 Related party transactions

The Authority is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Authority is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the Authority include:

- . all Ministers and their close family members, and their controlled or jointly controlled entities;
- . all senior officers and their close family members, and their controlled or jointly controlled entities;
- . other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- . associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- . the Government Employees Superannuation Board (GESB)

Health and Disability Services Complaints Office

Notes to the Financial Statements For the year ended 30th June 2017

Note 12 Related party transactions(continued)

Significant transactions with government related entities

Significant transactions include:

- . employee benefits expense (note 6)
- . supplies and services (note 8)
- . other expenses (note 11)
- . other grants and contributions (note 13)
- . other revenues (note 14)
- . service appropriations (note 15)
- . services received free of charge (note 16)

Significant outstanding balances with government related entities

- . receivables (note 18)
- . payables (note 23)

Material transactions with other related parties

- . superannuation payments to GESB (note 6)

Material outstanding balances with other related parties

- . superannuation payables to GESB (note 23)

Note	2017 \$	2016 \$
Note 13 Grants and contributions		
a) Commonwealth grants and contributions		
Funding for services provided to Christmas & Cocos Islands	8,458	23,243
See note 33 for the Statement of receipts and payments.		
b) Other grants and contributions		
Funding from the Disability Services Commission for data reporting system development (a)	-	26,364
(a) The above transaction is considered to be a significant related party transaction.		
Note 14 Other revenues		
Government Vehicle Scheme Contribution	3,744	1,335
Reimbursement from the Public Sector Commission (a)	3,531	-
Other	1,205	-
	8,480	1,335
(a) The above transaction is considered to be a significant related party transaction.		
Note 15 Service appropriations		
Appropriation revenue received during the period:		
Service appropriations received from the Department of Treasury (a)	2,701,000	2,637,000
(a) The above transaction is considered to be a significant related party transaction.		
See note 2(d) 'Income'.		
Note 16 Services received free of charge		
Services received free of charge from other State government agencies during the period:		
Legal services from the State Solicitor's Office (a)	12,762	4,629
Office accommodation fit-out from the Department of Finance (a)	70,239	77,277
Support services from the Department of Health (a)	4,035	172,946
Computer, human consultancy and finance services from the Health Support Services (a)	169,859	-
	256,895	254,852
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.		
(a) The above transactions are considered to be significant related party transactions.		
Note 17 Restricted cash and cash equivalents		
Current		
Christmas and Cocos Islands from Commonwealth grant	-	15,609

Health and Disability Services Complaints Office

Notes to the Financial Statements For the year ended 30th June 2017

Note 18 Receivables

Current

Receivables (a)	144,614	95,647
Reimbursements due from employees for salary overpayments	7,159	5,764
Allowance for impairment of receivables	(2,577)	-
GST receivable	3,131	6,913
	<u>152,327</u>	<u>108,324</u>

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

See also note 2(l) 'Receivables' and note 35 'Financial instruments'.

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period	-	-
Doubtful debts expense	2,577	-
Amounts written off during the period	-	-
Impairment losses reversed during the period	-	-
Balance at end of period	<u>2,577</u>	<u>-</u>

(a) The Authority has the following outstanding balances with other government related entities:

Recoup from the Department of Health for employee salary reimbursement	-	57,447
Recoup from the WorkCover WA for employee salary reimbursement	-	38,200
Recoup from the Public Sector Commission for employee leave reimbursement	37,100	-
Recoup from the State Ombudsman Office for employee leave reimbursement	105,943	-
Recoup from the Department of The Attorney General for employee leave reimbursement	971	-
Recoup from the Equal Opportunity Commission reimbursement	342	-
Recoup from the Working With Children Screening Unit	258	-

Note 19 Other current assets

Prepayments	<u>541</u>	<u>19,469</u>
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Note 20 Plant and equipment

Office equipment

At cost	7,612	7,612
Accumulated depreciation	<u>(2,061)</u>	<u>(63)</u>
	<u>5,551</u>	<u>7,549</u>

Reconciliation

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

Office equipment

Carrying amount at start of period	7,549	-
Additions	-	7,612
Depreciation	<u>(1,998)</u>	<u>(63)</u>
Carrying amount at end of period	<u>5,551</u>	<u>7,549</u>

Note 21 Intangible assets

Computer software

At cost	-	15,540
Accumulated amortisation	-	<u>(15,540)</u>
	<u>-</u>	<u>-</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	-	3,108
Amortisation expense	-	<u>(3,108)</u>
Carrying amount at end of period	<u>-</u>	<u>-</u>

Health and Disability Services Complaints Office

Notes to the Financial Statements For the year ended 30th June 2017

Note 22 Impairment of Assets

There were no indications of impairment to plant and equipment and intangible assets at 30 June 2017.

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 23 Payables	2017 \$	2016 \$
Current		
Trade creditors (a)	31,583	8,056
Other creditors	3,729	2,983
Accrued expenses (a)	93,150	77,875
Accrued salaries	25,877	19,917
	<u>154,339</u>	<u>108,831</u>

(a) The Authority engaged in the following material outstanding balances with other government related entities:

Invoice payable to the State Fleet	1,002	-
Invoice payable to the Department of Finance	1,718	-
Employee leave payable to the WorkCover	72,894	-
Employee leave payable to the Department of Health	2,382	-
Salary recoupment payable to the Disability Services Commission	11,646	36,982
CEO selection costs payable to Public Sector Commission	-	26,897
Superannuation payable to GESB	2,102	1,833

See also note 2(m) 'Payables' and note 35 'Financial instruments'.

Note 24 Provisions

Current		
<u>Employee benefits provision</u>		
Annual leave (a)	150,294	159,925
Long service leave (b)	<u>234,932</u>	<u>194,847</u>
	<u>385,226</u>	<u>354,772</u>
Non-current		
<u>Employee benefits provision</u>		
Long service leave (b)	118,451	111,207
	<u>503,677</u>	<u>465,979</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	105,332	112,274
More than 12 months after the end of the reporting period	<u>44,962</u>	<u>47,651</u>
	<u>150,294</u>	<u>159,925</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	54,644	39,171
More than 12 months after the end of the reporting period	<u>298,739</u>	<u>266,883</u>
	<u>353,383</u>	<u>306,054</u>

Note 25 Accumulated surplus

Balance at start of period	401,583	378,446
Result for the period	<u>416,274</u>	<u>23,137</u>
Balance at end of period	<u>817,857</u>	<u>401,583</u>

Health and Disability Services Complaints Office

Notes to the Financial Statements For the year ended 30th June 2017

Note 26 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	1,317,454	825,442
Restricted cash and cash equivalents	-	15,609
	<u>1,317,454</u>	<u>841,051</u>

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

Net cost of services (Statement of Comprehensive Income)	(2,541,621)	(2,868,715)
<u>(Increase)/decrease in assets:</u>		
Current receivables	(44,003)	(96,836)
Other current assets	18,928	4,097
<u>Increase/(decrease) in liabilities:</u>		
Payables	53,120	(85,719)
Current provisions	30,454	(46,788)
Non-current provisions	7,244	(21,538)
<u>Non-cash items:</u>		
Depreciation and amortisation expense (note 9)	1,998	3,171
Services received free of charge (note 16)	256,895	254,852
Net cash used in operating activities (Statement of Cash Flows)	<u>(2,216,985)</u>	<u>(2,857,476)</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.

Note 27 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, controls and key performance indicators	23,300	23,000
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Notes to the Financial Statements

For the year ended 30th June 2017

Note	2017	2016
	\$	\$
Note 28 Commitments		
The commitments below are inclusive of GST.		
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	299,993	279,804
Later than 1 year, and not later than 5 years	-	279,804
	<u>299,993</u>	<u>559,608</u>
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.		
Other expenditure commitments:		
Other expenditure commitments contracted for at the reporting period but not recognised as liabilities are payable as follows:		
Within 1 year	19,010	-
Later than 1 year, and not later than 5 years	-	19,101
	<u>19,010</u>	<u>19,101</u>
Note 29 Contingent liabilities and contingent assets		
At the reporting date, the Authority was not aware of any contingent liabilities or contingent assets.		
Note 30 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 31 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.		
Note 32 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.		
Note 33 Other statement of receipts and payments		
Commonwealth Grant - Christmas and Cocos Islands		
Balance at the start of period	15,609	(6,774)
Add Receipts		
Commonwealth grant	8,458	23,243
Less Payments		
Salaries and wages	(11,121)	-
Other expenses	(19,163)	(860)
	<u>(30,284)</u>	<u>(860)</u>
Balance at the end of period	<u>(6,217)</u>	<u>15,609</u>

Health and Disability Services Complaints Office

Notes to the Financial Statements

For the year ended 30th June 2017

Note 34 Explanatory Statement

Significant variances between the actual results for 2016 and 2017 and between estimated and actual results for 2017

The Authority is exempt from TI 945 Explanatory Statement as their Total Cost of Services is below \$3 million for the two most recent consecutive comparative periods.

TI 945 paragraph (1)(ii)

Each general government sector agency required to prepare Annual Estimates as defined in paragraph (2)(i)(b) through paragraph (2)(i)(d) of this instruction (where applicable) and where their Total Cost of Services exceeds \$3 million for the two most recent consecutive comparative periods.

Health and Disability Services Complaints Office

Notes to the Financial Statements For the year ended 30th June 2017

Note 35 Financial Instruments

a) Financial risk management objectives and policies

Financial instruments held by the Authority are cash and cash equivalents, restricted 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 35(c) 'Financial Instrument disclosures' and Note 18 'Receivables'.

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:

	2017 \$	2016 \$
Financial Assets		
Cash and cash equivalents	1,317,454	825,442
Restricted cash and cash equivalents	-	15,609
Loans and receivables (a)	149,196	101,411
Financial Liabilities		
Payables	154,339	108,831

(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.

Ageing 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							
2017							
Cash and cash equivalents	1,317,454	1,317,454	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Receivables (a) (b)	149,196	141,067	970	(50)	1,419	5,790	-
	1,466,650	1,458,521	970	(50)	1,419	5,790	-
2016							
Cash and cash equivalents	825,442	825,442	-	-	-	-	-
Restricted cash and cash equivalents	15,609	15,609	-	-	-	-	-
Receivables (a)	101,411	95,647	-	378	2,929	2,457	-
	942,462	936,698	-	378	2,929	2,457	-

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

(b) The -\$50 is the refund to an employee of the salary overpayment.

Health and Disability Services Complaints Office

Notes to the Financial Statements

For the year ended 30th June 2017

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>
	%	\$	\$	\$
2017				
<u>Financial Assets</u>				
Cash and cash equivalents	-	1,317,454	1,317,454	1,317,454
Restricted cash and cash equivalents	-	-	-	-
Receivables (a)	-	149,196	149,196	149,196
		<u>1,466,650</u>	<u>1,466,650</u>	<u>1,466,650</u>
<u>Financial Liabilities</u>				
Payables	-	154,339	154,339	154,339
		<u>154,339</u>	<u>154,339</u>	<u>154,339</u>
2016				
<u>Financial Assets</u>				
Cash and cash equivalents	-	825,442	825,442	825,442
Restricted cash and cash equivalents	-	15,609	15,609	15,609
Receivables (a)	-	101,411	101,411	101,411
		<u>942,462</u>	<u>942,462</u>	<u>942,462</u>
<u>Financial Liabilities</u>				
Payables	-	108,831	108,831	108,831
		<u>108,831</u>	<u>108,831</u>	<u>108,831</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.

Health and Disability Services Complaints Office

Notes to the Financial Statements
For the year ended 30th June 2017

Note 36 Schedule of income and expenses by service

	Complaints Management		Education		Total	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
COST OF SERVICES						
Expenses						
Employee benefits expense	1,169,087	1,371,077	629,508	771,230	1,798,595	2,142,307
Supplies and services	125,339	182,284	67,490	71,241	192,829	253,525
Depreciation and amortisation expense	1,299	2,029	699	1,142	1,998	3,171
Repairs, maintenance and consumable equipment	999	314	537	177	1,536	491
Other expenses	366,341	332,905	197,260	187,258	563,601	520,163
Total cost of services	1,663,065	1,888,609	895,494	1,031,048	2,558,559	2,919,657
INCOME						
Revenue						
Commonwealth grants and contributions	8,458	23,243	-	-	8,458	23,243
Other grants and contributions	-	26,364	-	-	-	26,364
Other revenue	8,480	1,335	-	-	8,480	1,335
Total revenue	16,938	50,942	-	-	16,938	50,942
NET COST OF SERVICES	1,646,127	1,837,667	895,494	1,031,048	2,541,621	2,868,715
INCOME FROM STATE GOVERNMENT						
Service appropriations	1,755,650	1,714,050	945,350	922,950	2,701,000	2,637,000
Services received free of charge	166,982	165,654	89,913	89,198	256,895	254,852
Total income from State Government	1,922,632	1,879,704	1,035,263	1,012,148	2,957,895	2,891,852
SURPLUS FOR THE PERIOD	276,505	42,037	139,769	(18,900)	416,274	23,137

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

4.3. Estimates of expenditure S40 *Financial Management Act 2006*

As required under Section 40 of the *Financial Management Act 2006* and Treasurer's Instruction 953 the Annual Financial Estimates for HaDSCO for the 2017-18 financial year are provided in the table below. The Deputy Premier; Minister for Health; Mental Health approved the budget estimates on 11 April 2017.

Health and Disability Services Complaints Office s.40 <i>Financial Management Act 2006</i> Submission Statement of Comprehensive Income		<u>Attachment A</u>
	Notes	2017/2018 Estimate \$
COST OF SERVICES		
Expenses		
Employee benefits expense		2,257,670
Supplies and services		240,708
Depreciation expense		1,920
Repairs, maintenance and consumable equipment		9,500
Other expenses		534,527
Total cost of services		3,044,325
INCOME		
Revenue		
Commonwealth grants and contributions	1	17,525
Other grants and contributions		10,000
Other revenue	2	2,400
Total revenue		29,925
Total income other than income from State Government		29,925
NET COST OF SERVICE		3,014,400
Income from State Government		
Service appropriation		2,747,000
Services received free of charge	3	267,400
		3,014,400
SURPLUS/(DEFICIT) FOR THE PERIOD		-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-

Notes:

1. Commonwealth grant received in relation to programs for the Indian Ocean Territories. The agency anticipates this funding to be fully utilised. However, in the event these funds are not fully utilised in the 2017-18 financial year, carryover amounts will be treated as restricted cash as they have been provided for a specific purpose and there may be a requirement to return these funds if requested by the Commonwealth.
2. Other revenue is related to funds received for the Senior Officers Vehicle Scheme.
3. Resources received free of charge from Building Management and Works, State Solicitors Office and WA Health (Health Support Services, and Department of Health). Corresponding expenses appear within the 'Other expense' and the 'Supplies and services' line items, which relate to building lease management, legal fees, finance, information technology, supply and human resources.

Health and Disability Services Complaints Office
s.40 Financial Management Act 2006 Submission
Statement of Financial Position

Attachment B

	Notes	2017/2018 Estimate \$
ASSETS		
Current Assets		
Cash and cash equivalents		1,005,174
Restricted cash and cash equivalents	1	-
Receivables	2	-
Other current assets		42,529
Total Current Assets		1,047,703
Non-Current Assets		
Plant and equipment		3,633
Total Non-Current Assets		3,633
Total Assets		1,051,336
LIABILITIES		
Current Liabilities		
Payables		84,820
Provisions		409,080
Total Current Liabilities		493,900
Non-Current Liabilities		
Provisions		136,625
Total Non-Current Liabilities		136,625
Total Liabilities		630,525
NET ASSETS		420,811
EQUITY		
Accumulated surplus		420,811
TOTAL EQUITY		420,811

Notes:

1. Commonwealth grant received in relation to programs for the Indian Ocean Territories. The agency anticipates the funding to be fully utilised in the 2017-18 financial year.
2. No receivables are forecasted, as collection of all receivables is anticipated within the 2017-18 financial year.

**Health and Disability Services Complaints Office
s.40 Financial Management Act 2006 Submission
Statement of Cash Flows**

Attachment C

**2017/2018
Estimate
\$**

CASH FLOWS FROM STATE GOVERNMENT

Service appropriation	2,747,000
Net cash provided by State Government	2,747,000

CASH FLOWS FROM OPERATING ACTIVITIES

Payments

Employee benefits	(2,288,722)
Supplies and services	(592,960)

Receipts

Commonwealth grants and contributions	17,525
Other grants and contributions	10,000
Recoveries and other receipts	2,400

Net cash used in operating activities	(2,851,757)
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CASH FLOWS FROM INVESTING ACTIVITIES

Payments

Purchase of non-current assets	-
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Receipts

Proceeds from sale of non-current assets	-
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Net cash used in investing activities	-
--	----------

Net decrease in cash and cash equivalents	(104,757)
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Cash and cash equivalents at the beginning of the period	1,109,931
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CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

1,005,174

4.4. 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's performance and fairly represent the performance of the office for the financial year ended 30 June 2017.

A handwritten signature in blue ink, reading 'Sarah Cowie'.

Sarah Cowie
DIRECTOR
ACCOUNTABLE AUTHORITY

30 August 2017



Our Key Performance Indicators

Health and Disability Services Complaints Office 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 is demonstrated in the table below:

Key Effectiveness Indicator	Services	Key Efficiency Indicators
Proportion of recommendations resulting in implementation by providers	Service One – 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
	Service Two – Education: Education and training in the prevention and resolution of complaints	KPI 2.1 Average cost per presentation, awareness raising, consultation and networking activities

Key Effectiveness Indicator

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

At the request of the Office of the Auditor General, a target was developed for the Key Effectiveness Indicator for the 2016-17 reporting year which is detailed below. To ensure transparency in the process and in transition to the new reporting format, the former representation of the indicator is included to reflect the change in format.

Key Effectiveness Indicator	2012-13	2013-14	2014-15	2015-16	2016-17 Target	2016-17 Actual
Proportion of recommendations resulting in implementation by providers	71%	71%	64%	67%	70%	72%

The table below represents the number of service improvements that providers implemented, as a proportion of total service improvements agreed to, or recommended, between 2012-13 and 2016-17:

2012-13	2013-14	2014-15	2015-16	2016-17
55/78	64/90	55/86	51/76	42/58

Key Efficiency Indicators

Service One – Complaints Management: Assessment, negotiated settlement, conciliation and investigation of complaints

HaDSCO provides an impartial resolution service for complaints relating to health, disability and mental health services provided in Western Australia. 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 complaint.

Key Efficiency Indicator 1.1: Percentage of complaints closed within legislation timeframes

In the management of complaints, HaDSCO works to statutory timeframes set out in the *Health and Disability Services (Complaints) Act 1995* and other enabling legislation. The table below represents the target and actual results for the legislative timeframes between 2012-13 and 2016-17:

Legislative requirement	Legislative timeframe (days)	2012-13	2013-14	2014-15	2015-16	2016-17 Target	2016-17 Actual
Preliminary assessment by Director s.34 (1)	28	91%	92%	100%	98%	95%	91%
Preliminary assessment by Director s.34 (1) (c)	56	72%	86%	93%	97%	90%	92%
Notice to provider and others s.35	14	86%	89%	93%	93%	95%	96%

In 2016-17, HaDSCO implemented a Complaint Handling Continuous Improvement Program to provide more efficient and effective management of complaints. The Program includes strategies to streamline the intake, assessment and resolution of complaints. One area of focus has been the reduction of older complaints on hand through an aged case strategy.

HaDSCO exceeded the projected targets for the percentage of complaints assessed in 56 days and notice to providers. However, for complaints assessed within 28 days, the figure was 91 percent compared to the 95 percent forecasted. The focus on reducing the number of aged cases impacted on assessment of new complaints while resources were reallocated

to finalising the older matters. Measures are being put in place to ensure stronger performance against this KPI in 2017-18.

Key Efficiency Indicator 1.2: Average cost per finalised complaint

The purpose of the Key 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 process. HaDSCO forecasted that 2,439 complaints would be closed during the 2016-17 financial year. However, HaDSCO closed 2,802 complaints, which was 15 percent above the forecasted figure.

The table below demonstrates the average cost per complaint, target and actual from 2012-13 to 2016-17:

2012-13	2013-14	2014-15	2015-16	2016-17 Target	2016-17 Actual
\$685	\$731	\$694	\$740	\$783	\$594

The average cost per finalised complaint is significantly lower than forecasted and is the lowest in five years. A number of streamlined processes have been implemented within the Office as part of the Complaint Handling Continuous Improvement Program 2017 which has resulted in more efficient and effective processing of complaints. The outcome has been a reduction in the average cost per complaint, reflecting the efficiency dividends of the Program. This has also occurred during a period when complaint numbers received increased by six percent compared to 2015-16.

Service Two – Education: Education and training in the prevention and resolution of complaints

This service supports HaDSCO's broader role, set out in the Stakeholder Engagement Strategy January 2017-June 2018, which includes:

- Collaborating with groups to review and identify the causes of complaints and suggesting ways to minimise those causes.
- Assisting providers to improve complaints management procedures and to educate their staff to effectively manage complaints.
- Sharing information and reporting on the work of HaDSCO 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 presentation, awareness raising, consultation and networking activities.

Group one costs: Development, production and distribution of information

The group one costs relate to the resources that contribute to the development, production and distribution of information. During the 2016-17 financial year, HaDSCO delivered a number of projects and initiatives. Examples of work that contributed to this cost included:

- Developing tailored resources for specific stakeholder groups to raise awareness of, and accessibility to, HaDSCO's services, utilising appropriate mechanisms to share this information, including dissemination of a resource created for Aboriginal consumers and

promoting features on disability complaints in The West Australian newspaper targeting the disability sector.

- Creating and releasing a series of infographics utilising complaints data from prescribed health and disability service providers as a means to innovatively share health and disability complaint data trends across these sectors.
- Developing and releasing a joint brochure with the Australian Health Practitioner Regulation Agency to clarify roles and responsibilities in managing complaints about registered health professionals and to assist people with accessing the most appropriate agency to handle their complaint.
- Updating the corporate website to clarify HaDSCO's role, structure and strategic direction in order to inform the community and support access to HaDSCO's services.

The table below demonstrates group one costs for development, production and distribution of information from 2012-13 to 2016-17:

	2012-13	2013-14	2014-15	2015-16	2016-17
Group one costs: Development, production and distribution of information	\$250,584	\$282,183	\$327,709	\$412,419	\$358,198

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

The group two costs relate to the resources that contribute to presentations, awareness raising, consultations and networking. Examples of work that contributed to this cost in 2016-17 included:

- Planning and delivering metropolitan outreach, including participating in Homeless Connect, to raise awareness of HaDSCO's role and provide a mechanism through which disadvantaged individuals can access our services.
- Delivering tailored presentations to key stakeholder groups including the Nurses and Midwives Board and the Disability Health Network to share information on complaint trends, educate stakeholders and share expertise on effective complaint handling.
- Planning and delivering a data collection information session to assist the effective submission, collection and management of complaints from prescribed disability service providers.
- Hosting HaDSCO's Consumer and Carer Reference Group to provide a mechanism through which consumer, carer and organisational representatives from the health, disability and mental health sectors can provide feedback to HaDSCO on its service delivery initiatives.
- Consulting with members of the Mental Health Complaints Partnership Agreement (MHCPA) to operationalise the MHCPA Action Plan initiatives which provide a framework for the effective resolution of complaints about mental health services.
- Planning and delivering regional outreach to the Wheatbelt region on two occasions, and also to the Gascoyne and South West regions to raise awareness of, and access to, HaDSCO's services, through the delivery of tailored presentations, consultation with government and non-government agencies, service providers and community groups and during complaint clinics.
- Planning and delivering outreach to the Indian Ocean Territories to raise awareness of the Office and strengthen links with the community through a planned program of consultation with government and non-government agencies and through the provision of a complaints handling and support function to community members.

The table below demonstrates group two costs for presentations, awareness raising, consultations and networking from 2012-13 to 2016-17:

	2012-13	2013-14	2014-15	2015-16	2016-17
Group two costs: Presentations, awareness raising, consultations and networking	\$341,400	\$430,679	\$452,323	\$618,629	\$537,297

Key Efficiency Indicator 2.1: Average cost per presentation, awareness raising, consultation and networking activities

The purpose of this Key Efficiency Indicator is to demonstrate the average cost per presentation, awareness raising, consultation and networking activities.

HaDSCO forecasted that 200 engagement activities (presentation, awareness raising, consultation and networking activities) would be delivered during the 2016-17 financial year. In total 211 engagement activities were delivered, exceeding this target.

The 211 activities included:

- 13 presentations to provide a range of general and tailored information to stakeholders.
- 61 awareness raising activities to promote HaDSCO's services, increase knowledge of effective complaints management practices and raise awareness of patterns and trends resulting from analysis of complaints data.
- 120 consultations with key groups to share and exchange views and seek advice.
- 17 networking opportunities to build relationships with providers, government agencies and consumer groups.

The table below represents the average cost per presentation, awareness raising, consultation and networking activities from 2012-13 to 2016-17:

	2012-13	2013-14	2014-15	2015-16	2016-17 Target	2016-17 Actual
Average cost per presentation, awareness raising, consultation and networking activities	\$1,538	\$1,544	\$865	\$2,361	\$5,142	\$2,546

The average cost per presentation, awareness raising, consultation and networking activities is under target demonstrating efficient and effective service delivery with a focus on delivering services in a cost effective manner.

4.5. Ministerial directives

Treasurer's Instruction 903(12) requires the disclosure of information on any ministerial directives relevant to the setting or achievement of desired outcomes or operational objectives, investment and financing activities. No ministerial directives were received during the financial year.

4.6. Other financial disclosures

Pricing policy of services

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) regarding 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, travel costs to the territories by HaDSCO staff and any promotional materials are also recouped in full.

Capital works

No capital works were undertaken during the 2016-17 reporting year.

Employment and Industrial Relations

Comparative full time equivalent (FTE) allocation by category

The Office managed resourcing requirements with the constraint of a salary cap.

Category	2015-16	2016-17
Full-time (permanent)	9	12
Full-time (contract)	6	3
Part-time (permanent)	2	1
Part-time (contract)	0	2
Total	17	18

Industrial relations

HaDSCO employees are employed under the *Public Service and Government Officers General Agreement 2014*. The Director is employed under the *Salaries and Allowances Tribunal Act 1975*.

Staff development

Consistent with the Public Sector Commission aim of bringing leadership and expertise to the public sector to enhance integrity, effectiveness and efficiency, HaDSCO places an emphasis on developing staff to help improve performance and enhance capability.

In the past 12 months, employees have completed specialised training in accountable and ethical decision making and occupational safety and health. This has been complemented by a number of information sessions provided by other government agencies, service providers and advocacy groups to increase awareness and understanding of contemporary issues and enhance complaint resolution services.

All new staff completed the Public Sector Induction program to provide awareness of the Western Australian system of Government and structure of the public service.

Leadership expertise has been enhanced by employee participation in the Leadership Essentials program (Public Sector Commission), technical skills increased by the completion of Certificate IV in Government Investigations (Public Sector Commission) and participation in the Legal Graduate placement program (State Solicitor's Office).

Workers Compensation

In accordance with Treasurer's Instruction 903 (13iic), the Office had the following workers compensation disclosures in the 2016-17 reporting year.

Category	2015-16	2016-17
Workers' compensation claims	0	0
Lost time injuries	0	0

Purchasing cards

In accordance with Treasurer's Instruction 903 (13iv), there are no instances of a Western Australian Government Purchasing Card that has been used for a personal purpose for the 2016-17 reporting year. During 2016-17, HaDSCO introduced a new Purchasing Card Policy and Purchasing Card Procedures to ensure strong governance and compliance controls for procurement, where purchasing cards are used.

4.7. Governance disclosures

In accordance with Treasurer's Instruction 903 (14(i)(ii)(iv)) a senior officer of HaDSCO is required to disclose particulars of any shares in the Statutory Authority held as a nominee or beneficially and details in in any subsidiary body of the agency held either as a nominee or beneficially or any insurance premium paid to indemnify any director.

Shares in Statutory Authorities

There are no shares held as a nominee or beneficially by a senior officer of HaDSCO in the 2016-17 reporting year.

Shares in subsidiary bodies

There are no shares in any subsidiary body of the agency held either as a nominee or beneficially by a senior officer of HaDSCO in the 2016-17 reporting year.

Insurance paid to indemnify directors

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

4.8. Other legal requirements

Advertising

In accordance with section 175ZE of the *Electoral Act 1907*, the Office is required to report on expenditure incurred during the financial year in relation to advertising, market research, polling, direct mail and media advertising.

The total expenditure for the 2016-17 reporting year was \$6,179 as detailed in the table below:

Item	Total	Expenditure	Amount
Advertising	\$6,129	Adcorp Australia Limited	\$4,990
		Shire of Christmas Island	\$995
		Cocos(K) Islands Community Resource Centre	\$84
		IT services and supplies	\$60
Market research organisations	Nil	Nil	Nil
Polling organisations	Nil	Nil	Nil
Direct mail organisations	\$50	Campaign Monitor	\$50

Compliance with Public Sector Standards

The senior executive understand that strong leadership, a positive organisational culture and robust governance systems are all drivers of ethical behaviour, create opportunity for improved organisational performance and public trust and confidence. The administration of the Office complies with the *Public Sector Standards in Human Resource Management* and the *Western Australian Public Sector Code of Ethics*.

At the request of the Office, the Public Sector Commission peer reviewed the Code of Conduct in the 2015-16 reporting year and provided feedback and comments for consideration. The Office committed to undertaking a full review in the 2016-17 reporting year to ensure that all business requirements were encompassed and the Code of Conduct was more reflective of the current operating environment.

The new Code of Conduct was introduced as part of Accountable and Ethical Decision Making training to ensure an enhanced understanding of the obligations and requirements placed upon staff as public servants.

Monitoring provisions also include:

- A process to ensure there are current performance management plans in place for all employees.
- A quality assurance process is undertaken prior to the final decision for recruitment, selection and appointment.
- The review and development of policies and procedures to ensure correct application in the current working environment.

In the 2016-17 reporting year the following policies were updated and/or introduced:

- Conflict of Interest
- Criminal Screening
- Flexible Work
- Gifts, Benefits and Hospitality
- Grievance Resolution
- Leave Management
- Public Interest Disclosure
- Secondary Employment
- Staff Learning and Development.

The applications made for a breach of standards review and the corresponding outcomes for the reporting period are detailed in the following table:

Applications for breach of standard and corresponding outcomes for 2016-17	
Number lodged	0
Number of breaches found	0
Number still under review	0

Freedom of information

The table below provides a summary of the applications finalised in the 2016-17 reporting year.

Applications	2015-16	2016-17
New applications received during the year	1	1
Finalised during the year	1	1
Average time to process (days)	19	26
Outcomes	2015-16	2016-17
Full access	0	0
Edited access	1	0
Deferred access	0	0
Section 26 Access	0	0
Section 28 access	0	0
Access refused	0	0
Total decisions	1	0
Transferred to other agencies	0	0
Withdrawn	0	1
Total applications	1	1

Record keeping plans

Draft policy and procedures for records management were endorsed and a business classification scheme introduced to enhance record keeping for all functions in the 2016-17 reporting year.

Records management will continue to be a focus in the 2017-18 reporting year to ensure better practice is achieved and compliance obligations are met. In accordance with the State Records Commission Standard 2, Record Keeping Plans (Principle 6):

- Records awareness training will become mandatory for all staff.
- The records awareness training is consistent with the requirements of the record keeping plan.
- The induction program will be updated to address employee's roles and responsibilities with respect to record keeping.

Disability Access and Inclusion Plan

The *Disability Services Act 1993* requires all state and local governments 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 continue to commit to ensuring that people with disability, their carers and families have access to our services, information and facilities. Through the implementation of strategies and initiatives identified in the plan the desired outcomes that we want to achieve are:

- People with disability have the same opportunities as other people to access the services and events that we organise.
- People with disability have the same opportunities as other people to access the buildings and facilities that we use.
- 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.
- People with disability receive the same level and quality of service from our staff as other people in the community.
- People with disability have the same opportunities as other people to make complaints to us.
- People with disability have the same opportunities as other people to participate in any public consultation we host.
- People with disability have the same opportunities as other people to seek employment, professional development and work experience with us.

The following strategies were progressed in the 2016-17 reporting year:

- Commenced participation and promotion of the Public Sector University Cadetship Program, in partnership with the JobAccess employer engagement team for

students with either a disability or from an Aboriginal or Torres Strait Islander background in their final year of an undergraduate degree.

- Engaged with appropriate disability support services such as personal Occupational Therapists to assist and ensure disability-friendly workspaces and to accommodate adjustments required by staff with disabilities were met prior to the start of work, as required.
- Undertook a joint visit with the Equal Opportunity Commission and the Working with Children Screening Unit, Department for Child Protection, to the Indian Ocean Territories to raise awareness of the Office's services and speak to community members directly about concerns regarding health, disability and mental health services.
- Commenced the review of the existing DAIP.
- Continued to host the Consumer and Carer Reference Group (CCRG), which includes participants who represent health, disability and mental health sectors.
- Engaged with advocacy and peak industry groups involved in providing services to people with disability to continue to strengthen awareness of our services.
- Featured on a panel at the National Disability Services Individual Safeguarding and Complaints Forums to clarify our role in managing complaints about disability services.

4.9. Government policy requirements

Occupational Safety and Health

In accordance with the *Public Sector Commissioner's Circular 2012/05: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector*, the Office complies with the requirements of the *Occupational Safety and Health Act 1994*, the *Workers Compensation and Injury Management Act 1981* and the *Code of Practice: Occupational Safety and Health in the Western Australian Public Sector*.

During this reporting year the Office:

- Provided ergonomic assessments for employees.
- Engaged the services of an Employee Assistance Program.
- Reviewed and developed the suite of policies.
- Provided access to an influenza vaccination program.
- Supported employees to undertake Fire Warden training.

The Office is committed to providing and maintaining a safe and healthy work environment for all employees and will establish a new Occupational Safety and Health Committee in the 2017-18 reporting year. This will ensure that there is a shared responsibility to achieve the highest standards of occupational safety and health for all employees, by ensuring appropriate resources are available and effectively applied through a consultative process involving staff, safety and health representatives and managers.

The table below represents our annual performance in relation to the specified targets.

Indicator	2014-15 Actual	2015-16 Actual	2016-17 Actual	Target	Comment
Number of fatalities	0	0	0	0	Target achieved
Lost time injury/disease (LTI/D) incidence rate	0.52%	9.52%	0	0	Target achieved
Lost time injury severity rate	0	0	0	0	Target achieved
Percentage of injured workers returned to work within 13 weeks	100%	100%	100%	Greater than or equal to 80%	Target exceeded
Percentage of injured workers returned to work within 26 weeks	100%	100%	100%	Greater than or equal to 80%	Target exceeded
Percentage of managers and supervisors trained in occupational safety, health and injury management	75%	75%	100%	Greater than or equal to 80%	Target achieved

Risk management

The Office prioritised the review of its Risk Management Policy and Plan in the 2016-17 reporting year. This resulted in the Corporate Executive endorsing the Office's Risk Management Framework. In establishing a comprehensive framework, the Office ensures it can undertake activities with the knowledge that measures are in place to maximise the benefits and minimise the negative effect of uncertainties on its strategic and operational objectives.

The implementation of the Office's Risk Register in the 2017-18 reporting period, to record and track risks at the strategic, operational and project level, will reinforce the Office's commitment to maintain and continuously improve its risk system to complement its strategic plan.

Substantive equality

Substantive equality seeks to eliminate systemic forms of discrimination in the delivery of public sector services and to promote awareness of different needs of client groups.

In accordance with the *Equal Opportunity Act 1984* and the *Public Sector Commissioner's Circular 2015/01: Substantive Equality – Implementation of the Policy Framework (Addressing systemic discrimination in service delivery)*, we aim to make our services accessible to all people living in Western Australia and recognise that making a complaint can be particularly difficult for some people, due to cultural, linguistic and geographical challenges.

In an effort to achieve this, the Office:

- Enabled people to make enquiries to our Office through different mediums, such as over the telephone, in writing (letter or email) or in person by appointment.
- Promoted our TTY and country toll free number in our publications and on our website.
- Provided access to our publications in different formats and languages.
- Continued to recognise that parts of our governing legislation can be difficult to comply with, for example the requirement that people make a reasonable attempt to resolve their complaint with the service provider before we progress the matter. We therefore exercise discretion about when this requirement should be enforced.