

Disclosures and Legal Compliance

This section provides details of the Office's audited financial statements and key performance indicators, along with information on other mandatory disclosures and legal compliance.

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Fair
Independent
Accountable

Independent Audit Opinion



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS

Report on the Financial Statements

I have audited the accounts and financial statements of the Parliamentary Commissioner for Administrative Investigations.

The financial statements comprise the Statement of Financial Position as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Parliamentary Commissioner's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Parliamentary Commissioner for Administrative Investigations at 30 June 2012 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

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Report on Controls

I have audited the controls exercised by the Parliamentary Commissioner for Administrative Investigations during the year ended 30 June 2012.

Controls exercised by the Parliamentary Commissioner for Administrative Investigations are those policies and procedures established by the Parliamentary Commissioner to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Parliamentary Commissioner's Responsibility for Controls

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

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Parliamentary Commissioner for Administrative Investigations based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

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

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

Opinion

In my opinion, the controls exercised by the Parliamentary Commissioner for Administrative Investigations 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 2012.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Parliamentary Commissioner for Administrative Investigations for the year ended 30 June 2012.

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

Parliamentary Commissioner's Responsibility for the Key Performance Indicators

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the key performance indicators of the Parliamentary Commissioner for Administrative Investigations are relevant and appropriate to assist users to assess the Parliamentary Commissioner's performance and fairly represent indicated performance for the year ended 30 June 2012.

Independence

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

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

This auditor's report relates to the financial statements and key performance indicators of the Parliamentary Commissioner for Administrative Investigations for the year ended 30 June 2012 included on the Parliamentary Commissioner's website. The Parliamentary Commissioner is responsible for the maintenance and integrity of the Parliamentary Commissioner's website. I have not been engaged to report on the integrity of the Parliamentary Commissioner's website. The auditor's report refers only to the financial statements and key performance indicators named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements and key performance indicators. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and key performance indicators and related auditor's report dated 7 August 2012 to confirm the information included in the audited financial statements and key performance indicators presented on this website.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
7 August 2012

Financial Statements

Certification of Financial Statements

For the year ended 30 June 2012

The accompanying financial statements of the Parliamentary Commissioner for Administrative Investigations have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2012 and the financial position as at 30 June 2012.

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.



Mary White
Chief Finance Officer

2 August 2012



Chris Field
Accountable Authority

2 August 2012

Statement of Comprehensive Income

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	<u>6.</u>	6,306,890	5,709,530
Supplies and services	<u>7.</u>	1,260,339	1,004,258
Depreciation and amortisation expense	<u>8.</u>	250,933	180,678
Accommodation expenses	<u>9.</u>	1,096,401	812,271
Loss on disposal of non-current asset	<u>12.</u>	485,598	-
Other expenses	<u>10.</u>	23,587	24,693
Total cost of services		9,423,748	7,731,430
Income			
<i>Revenue</i>			
Other revenue	<u>11.</u>	2,371,609	1,656,686
Total Revenue		2,371,609	1,656,686
Total income other than income from State Government		2,371,609	1,656,686
NET COST OF SERVICES		7,052,139	6,074,744
Income from State Government			
	<u>13.</u>		
Service appropriation		6,630,000	6,348,000
Resources received free of charge		275,945	176,883
Total income from State Government		6,905,945	6,524,883
SURPLUS/(DEFICIT) FOR THE PERIOD		(146,194)	450,139
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(146,194)	450,139

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

Statement of Financial Position

As at 30 June 2012

	Note	2012 \$	2011 \$
ASSETS			
Current Assets			
Cash and cash equivalents	<u>23.</u>	1,191,108	861,019
Receivables	<u>15.</u>	255,893	88,849
Amounts receivable for services	<u>16.</u>	190,000	125,000
Total Current Assets		1,637,001	1,074,868
Non-Current Assets			
Restricted cash and cash equivalents	<u>14.</u> <u>23.</u>	152,461	115,169
Amounts receivable for services	<u>16.</u>	1,847,000	1,744,000
Plant and equipment	<u>17.</u>	113,718	679,453
Intangible assets	<u>18.</u>	88,172	85,731
Total Non-Current Assets		2,201,351	2,624,353
TOTAL ASSETS		3,838,352	3,699,221
LIABILITIES			
Current Liabilities			
Payables	<u>20.</u>	652,711	440,045
Provisions	<u>21.</u>	1,234,858	1,180,468
Total Current Liabilities		1,887,569	1,620,513
Non-Current Liabilities			
Provisions	<u>21.</u>	346,313	327,594
Total Non-Current Liabilities		346,313	327,594
TOTAL LIABILITIES		2,233,882	1,948,107
NET ASSETS		1,604,470	1,751,114
EQUITY			
	<u>22.</u>		
Contributed equity		930,000	930,000
Accumulated surplus/(deficit)		674,470	821,114
TOTAL EQUITY		1,604,470	1,751,114

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

Statement of Changes in Equity

For the year ended 30 June 2012

	Note	Contributed equity	Reserves	Accumulated surplus/(deficit)	Total equity
Balance at 1 July 2010	<u>22.</u>	930,000	-	370,975	1,300,975
Total comprehensive income for the year		-	-	450,139	450,139
Balance at 30 June 2011		930,000	-	821,114	1,751,114
Balance at 1 July 2011		930,000	-	821,114	1,751,114
Correction of prior period error ^(a)		-	-	(450)	(450)
Restated balance at 1 July 2011		930,000	-	820,664	1,750,664
Total comprehensive income for the year		-	-	(146,194)	(146,194)
Balance at 30 June 2012		930,000	-	674,470	1,604,470

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

(a) Correction to fixed asset

Statement of Cash Flows

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		6,337,000	5,924,000
Holding account drawdowns		125,000	87,000
Net cash provided by State Government		6,462,000	6,011,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(6,227,563)	(5,516,621)
Supplies and services		(982,903)	(769,715)
Accommodation		(952,012)	(799,681)
GST payments on purchases		(240,492)	(202,466)
GST payments to taxation authority		(39,548)	-
Other payments		(23,587)	(24,694)
Receipts			
User charges and fees		2,200,597	1,649,245
GST receipts on sales		284,657	206,544
GST receipts from taxation authority		-	38,143
Net cash provided by/(used in) operating activities	23.	(5,980,851)	(5,419,245)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(113,768)	(148,861)
Receipts			
		-	-
Net cash provided by/(used in) investing activities		(113,768)	(148,861)
Net increase/(decrease) in cash and cash equivalents		367,381	442,894
Cash and cash equivalents at the beginning of period		976,188	533,294
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	23.	1,343,569	976,188

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

Summary of Consolidated Account Appropriations and Income Estimates

For the year ended 30 June 2012

	2012 Estimate \$	2012 Actual \$	Variance \$	2012 Actual \$	2011 Actual \$	Variance \$
<u>Delivery Services</u>						
Item 4 Net amount appropriated to deliver services	5,828,000	6,052,000	224,000	6,052,000	5,795,000	257,000
 Amount Authorised by Other Statutes						
- <i>Parliamentary Commissioner Act 1971</i>	578,000	578,000	-	578,000	553,000	25,000
 Total appropriations provided to deliver services	6,406,000	6,630,000	224,000	6,630,000	6,348,000	282,000
 GRAND TOTAL	6,406,000	6,630,000	224,000	6,630,000	6,348,000	282,000
 <u>Details of Expenses by Service</u>						
Resolving complaints about decision making of public authorities and improving the standard of public administration	8,012,000	9,423,748	1,411,748	9,423,748	7,731,430	1,692,318
Total Cost of Services	8,012,000	9,423,748	1,411,748	9,423,748	7,731,430	1,692,318
Less Total Income	(1,500,000)	(2,371,609)	(871,609)	(2,371,609)	(1,656,686)	(714,923)
Net Cost of Services	6,512,000	7,052,139	540,139	7,052,139	6,074,744	977,395
Adjustment ^(a)	(106,000)	(422,139)	(316,139)	(422,139)	273,256	(695,395)
Total appropriations provided to deliver services	6,406,000	6,630,000	224,000	6,630,000	6,348,000	282,000
 <u>Capital Expenditure</u>						
Purchase of non-current physical assets	125,000	113,768	(11,232)	113,768	148,861	(35,093)
Adjustments for other funding sources	(125,000)	(113,768)	11,232	(113,768)	(148,861)	35,093
Capital appropriations	-	-	-	-	-	-

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

[Note 27 'Explanatory statement'](#) provides details of any significant variations between estimates and actual results for 2012 and between the actual results for 2011 and 2012.

Notes to the Financial Statements for the year ended 30 June 2012

Note 1. Australian Accounting Standards

General

The Office's financial statements for the year ended 30 June 2012 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 Office has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Office cannot early adopt an Australian Accounting Standard unless specifically permitted by *TI 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 Office for the annual reporting period ended 30 June 2012.

Note 2. Summary of significant accounting policies

(a) General statement

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

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

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

(b) Basis of preparation

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

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

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

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

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

(c) Reporting entity

The reporting entity comprises the Office of the Parliamentary Commissioner for Administrative Investigations, generally known as the Ombudsman Western Australia (**the Office**).

Mission

The mission of the Ombudsman Western Australia is to serve Parliament and Western Australians by:

- Resolving complaints about decision making of public authorities; and
- Improving the standard of public administration.

The Office is predominantly funded by Parliamentary appropriation. The Ombudsman Western Australia also performs the functions of the Energy Ombudsman Western Australia (**EOWA**) under a services agreement with the Board of Energy Industry Ombudsman (Western Australia) Limited, the governing body of EOWA. The Office recoups the costs for EOWA from the Board. The financial statements encompass all funds through which the Office controls resources to carry on its functions.

Services

The Office provides the following service:

Service 1: Resolving complaints about decision making of public authorities and improving the standard of public administration

Investigating and resolving complaints from members of the public about Western Australian public authorities and improving the standard of public administration by identifying and investigating concerns that affect the broader community, making recommendations for improvement and identifying and promoting good decision making and practices.

The Office does not administer assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral to, the function of the Office.

(d) Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955

Contributions by Owners made to Wholly Owned Public Sector Entities and have been credited directly to Contributed equity.

(e) Income

Revenue recognition

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

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Service appropriations

Service appropriations are recognised as revenues at fair value in the period in which the Office gains control of the appropriated funds. The Office gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Office. In accordance with the determination specified in the 2011-2012 Budget Statements, the Office retained **\$2,371,609** in 2012 (**\$1,656,686** in 2011) from the following:

- GST Input Credits;
- Proceeds from fees and charges; and
- Other Office receipts.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Office 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.

Gains

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

(f) 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.

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 the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the cost model is used for plant and equipment. 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.

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

Furniture and fittings	10 years
Plant and machinery	10 years
Computer hardware	3 years
Office equipment	5 years

(g) Intangible assetsCapitalisation/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 which is reviewed annually) on the straight line basis. All intangible assets controlled by the Office have a finite useful life and zero residual value.

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

Software (a)	3 years
Website Costs	3 years

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

Computer software

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

Website costs

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

(h) 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 and an impairment loss is recognised. As the Office is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

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

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

(i) Leases

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

(j) Financial instruments

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

- 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
 - Amounts receivable for services
- Financial Liabilities
 - Payables

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

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

(k) Cash and cash equivalents

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

(l) Accrued salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Office considers the carrying amount of accrued salaries to be equivalent to its fair value.

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

(m) Amounts receivable for services (holding account)

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

(n) Receivables

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

(o) Payables

Payables are recognised at the amounts payable when the Office becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

(p) Provisions

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

Provisions - employee benefits

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

Annual leave

The liability for annual leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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

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

The liability for long service leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using 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 Office 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 Office has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

The Government Employees Superannuation Board (**GESB**) and other funds administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies 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.

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 Office to GESB extinguishes the agency's obligations to the related superannuation liability.

The Office 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 Office to the GESB.

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 became able to choose their preferred superannuation fund. The Office makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Office's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

Provisions - other

Employment on-costs

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

(q) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises of employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, or 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.

(r) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the Office would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

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

(s) Comparative Figures

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

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 Office evaluates these judgements regularly.

Operating lease commitments

The Office has entered into a lease for a building used for office accommodation. It has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, this lease has been classified as an operating lease.

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 Office'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 Office has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2011 that impacted on the Authority.

<i>AASB 1054</i>	<i>Australian Additional Disclosures</i>
	This Standard, in conjunction with <i>AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i> , removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
<i>AASB 2009-12</i>	<i>Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Int 2, 4, 16, 1039 & 1052]</i>
	This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Int 13]*

The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact.

The amendments to AASB 101 clarify the presentation of the statement of changes in equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity can be presented in either the Statement of Changes in Equity or the Notes. There is no financial impact.

AASB 2010-5 *Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Int 112, 115, 127, 132 & 1042]*

This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Int 2, 112 & 113]*

This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

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

AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued in December 2010. The Office has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 10	<p><i>Consolidated Financial Statements</i></p> <p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Office has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 11	<p><i>Joint Arrangements</i></p> <p>This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Office has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p> <p>The Standard was issued in August 2011. The Office has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013

Operative for
reporting periods
beginning on/after

<i>AASB 13</i>	<i>Fair Value Measurement</i>	1 Jan 2013
	This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.	
<i>AASB 119</i>	<i>Employee Benefits</i>	1 Jan 2013
	This Standard supersedes <i>AASB 119 (October 2010)</i> . As the Office does not operate a defined benefit plan, the impact of the change is limited to measuring annual leave as a long-term employee benefit. The resultant discounting of the annual leave benefit has an immaterial impact.	
<i>AASB 127</i>	<i>Separate Financial Statements</i>	1 Jan 2013
	This Standard supersedes requirements under <i>AASB 127 Consolidated and Separate Financial Statements</i> , introducing a number of changes to accounting treatments.	
	The Standard was issued in August 2011. The Office has not yet determined the application or the potential impact of the Standard.	
<i>AASB 128</i>	<i>Investments in Associates and Joint Ventures</i>	1 Jan 2013
	This Standard supersedes <i>AASB 128 Investments in Associates</i> , introducing a number of changes to accounting treatments.	
	The Standard was issued in August 2011. The Office has not yet determined the application or the potential impact of the Standard.	
<i>AASB 1053</i>	<i>Application of Tiers of Australian Accounting Standards</i>	1 Jul 2013
	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.	

AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12]</i> [Modified by AASB 2010-7]	1 Jul 2013
AASB 2010-2	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i> This Standard makes amendments to Australian Accounting Standards and interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.	1 Jul 2013
AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i> This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Office has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 2011-2	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i> This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.	1 Jul 2013

Operative for
reporting periods
beginning on/after

- AASB 2011-6** *Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]* 1 Jul 2013
- This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.
- AASB 2011-7** *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]* 1 Jan 2013
- This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*. The Office has not yet determined the application or the potential impact of the Standard.
- AASB 2011-8** *Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]* 1 Jan 2013
- This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.

- AASB 2011-9** *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]* 1 Jul 2012

This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Office has not yet determined the application or the potential impact of the Standard.

- AASB 2011-10** *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]* 1 Jan 2013

This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is limited financial impact.

- AASB 2011-11** *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements* 1 Jul 2013

This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.

- AASB 2012-1** *Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]* 1 Jul 2013

This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 12 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.

Note 6. Employee benefits expense

	2012 \$	2011 \$
Wages and salaries ^(a)	5,665,417	5,115,194
Superannuation - defined contribution plans ^(b)	574,054	530,108
Other related expenses	67,419	64,228
	6,306,890	5,709,530

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

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

Employment on-costs expenses, such as workers' compensation insurance are included at [Note 10 'Other expenses'](#).

Employment on-costs liability is included in [Note 21 'Provisions'](#).

Note 7. Supplies and services

	2012 \$	2011 \$
Travel	39,762	51,037
Communications	80,293	69,542
Consumables	210,397	230,842
Services and contracts	566,126	312,445
Resources received free of charge	131,556	135,432
Other	232,205	204,960
	1,260,339	1,004,258

Note 8. Depreciation and amortisation expense

	2012 \$	2011 \$
<u>Depreciation</u>		
Furniture fixtures and fittings	53,077	77,714
Computer hardware	17,463	15,127
Communications	29,567	20,623
Office equipment	6,784	6,977
Plant and machinery	2,124	1,726
Total depreciation	109,015	122,167
<u>Amortisation</u>		
Intangible assets	141,918	58,511
Total amortisation	141,918	58,511
Total depreciation and amortisation	250,933	180,678

Note 9. Accommodation expenses

	2012 \$	2011 \$
Lease rentals	951,030	809,952
Repairs and maintenance	982	2,319
Resources received free of charge ^(a)	144,389	
	1,096,401	812,271

(a) Relates to the notional value of the fit-out of office accommodation provided through Building Management and Works.

Note 10. Other expenses

	2012 \$	2011 \$
Employment on-cost ^(a)	34	48
Audit Fee ^(b)	20,000	21,600
Other Miscellaneous Expenses	3,553	3,045
	23,587	24,693

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at [Note 21 'Provisions'](#). Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) Audit fee, see also [Note 30 'Remuneration of auditor'](#).

Note 11. Other revenue

	2012 \$	2011 \$
Other revenue - general	2,313,272	1,597,214
Other recoup	58,337	59,472
	2,371,609	1,656,686

Note 12. Net gain/(loss) on disposal of non-current assets

	2012 \$	2011 \$
<u>Proceeds from disposal of non-current asset</u>		
Plant and Equipment	-	-
<u>Cost of disposal of non-current assets</u>		
Plant and Equipment	485,598	-
Net gain/(loss)	(485,598)	-

Note 13. Income from State Government

	2012 \$	2011 \$
Appropriation received during the year:		
Service appropriations ^(a)		
- Recurrent	6,052,000	5,795,000
- Special Acts	578,000	553,000
	6,630,000	6,348,000
Resources received free of charge ^(b)		
Determined on the basis of the following estimates provided by agencies:		
- State Solicitors Office	9,323	-
- Department of the Premier and Cabinet Corporate and Business Services	122,233	122,842
- Department of Finance - Building and Management Works	144,389	-
- Department of Treasury and Finance - Building and Management Works	-	12,590
- Public Sector Commission	-	41,451
	275,945	176,883
	6,905,945	6,524,883

(a) Service appropriations funds the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.

Note 14. Restricted cash and cash equivalents

	2012 \$	2011 \$
<u>Non-current</u>		
Accrued salaries suspense account ^(a)	152,461	115,169
	152,461	115,169

(a) Funds held in the suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

Note 15. Receivables

	2012 \$	2011 \$
<u>Current</u>		
Receivables	227,937	84,459
GST receivable	27,956	4,390
Total current	255,893	88,849

There were no allowances made in the current year for the impairment of receivables (2010/11: nil)

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

Note 16. Amounts receivable for services (Holding Account)

	2012 \$	2011 \$
Current	190,000	125,000
Non-Current	1,847,000	1,744,000
	2,037,000	1,869,000

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Note 17. Plant and Equipment

	2012 \$	2011 \$
<u>Furniture fixtures and fittings</u>		
At cost	6,814	1,187,897
Accumulated depreciation	(170)	(664,258)
	6,644	523,639
<u>Computer Hardware</u>		
At Cost	194,543	208,778
Accumulated depreciation	(175,801)	(174,611)
	18,742	34,167
<u>Office equipment</u>		
At cost	41,418	33,921
Accumulated depreciation	(21,285)	(14,501)
	20,133	19,420

	2012 \$	2011 \$
<u>Plant and machinery</u>		
At cost	-	31,560
Accumulated depreciation	-	(14,571)
	-	16,989
<u>Communications</u>		
At cost	162,995	150,017
Accumulated depreciation	(94,796)	(64,779)
	68,199	85,238
	113,718	679,453

Reconciliation

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the reporting period are set out in the table below:

	Furniture and Fittings	Computer hardware	Office Equipment	Plant and Machinery	Communications	Total
2012	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	523,639	34,167	19,420	16,989	85,238	679,453
Additions	6,814	2,038	7,497	-	12,978	29,327
Transfers	-	-	-	-	-	-
Retirements	(470,732)	-	-	(14,865)	-	(485,597)
Correction prior period error	-	-	-	-	(450)	(450)
Depreciation	(53,077)	(17,463)	(6,784)	(2,124)	(29,567)	(109,015)
Carrying amount at end of year	6,644	18,742	20,133	-	68,199	113,718
2011	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	533,493	36,095	26,396	10,087	68,312	674,383
Additions	67,861	13,199	-	8,628	37,549	127,237
Depreciation	(77,714)	(15,127)	(6,977)	(1,726)	(20,623)	(122,167)
Carrying amount at end of year	523,640	34,167	19,419	16,989	85,238	679,453

Note 18. Intangible assets

	2012 \$	2011 \$
<u>Computer Software</u>		
At cost	454,235	298,651
Accumulated amortisation	(391,188)	(249,270)
	63,047	49,381
 Work in Progress	 25,125	 36,350
	25,125	36,350
Total intangible assets	88,172	85,731
 Reconciliation:		
<u>Computer Software</u>		
Carrying amount at start of year	85,731	59,741
Additions	119,234	36,350
Transfer	-	21,425
Amortisation expense	(141,918)	(58,511)
Carrying amount at end of year	63,047	59,005
 <u>Licenses</u>		
Carrying amount at start of year	-	21,425
Additions	-	-
Transfer	-	(21,425)
Carrying amount at end of year	-	-

Note 19. Impairment of assets

There were no indications of impairment to plant and equipment or intangible assets at 30 June 2012.

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

All surplus assets as at 30 June 2012 have either been classified as assets held for sale or written-off.

Note 20. Payables

	2012 \$	2011 \$
<u>Current</u>		
Trade payables	44,685	82,176
Accrued Expenses	226,536	213,909
Accrued Salaries	138,472	139,828
Accrued Superannuation	10,499	2,925
Other payables	232,519	1,207
Total current	652,711	440,045

Note 21. Provisions

	2012 \$	2011 \$
Current		
<i>Employee benefits provision</i>		
Annual leave ^(a)	571,482	568,572
Long service leave ^(b)	662,816	611,361
	1,234,298	1,179,933
<i>Other provisions</i>		
Employment on-costs ^(c)	560	535
	560	535
	1,234,858	1,180,468
Non-current		
<i>Employee benefits provision</i>		
Long service leave ^(b)	346,155	327,445
	346,155	327,445
<i>Other provisions</i>		
Employment on-costs ^(c)	158	149
	158	149
	346,313	327,594

- (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 reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2012 \$	2011 \$
Within 12 months of the end of the reporting period	331,867	342,357
More than 12 months after the reporting period	239,615	226,215
	571,482	568,572

- (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 reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2012 \$	2011 \$
Within 12 months of the end of the reporting period	291,633	303,443
More than 12 months after the reporting period	717,337	635,363
	1,008,970	938,806

- (c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including worker's compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in [Note 10 'Other expenses'](#).

Movement in other provisions

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

	2012 \$	2011 \$
<u>Employment on-cost provision</u>		
Carrying amount at start of year	684	636
Additional provisions recognised	34	48
Carrying amount at end of year	718	684

Note 22. Equity

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

Contributed equity

	2012 \$	2011 \$
Balance at start of period	930,000	930,000
Balance at the end of period	930,000	930,000

Accumulated surplus/(deficit)

	2012 \$	2011 \$
Balance at start of year	820,664	370,975
Result for the period	(146,194)	450,139
Balance at end of year	674,470	821,114
Total Equity at the end of period	1,604,470	1,751,114

Note 23. Notes to the Statement of Cash Flows

Reconciliation of cash

Cash at the end of the financial year as shown in the [Statement of Cash Flows](#) is reconciled to the related items in the [Statement of Financial Position](#) as follows:

	2012 \$	2011 \$
Cash and cash equivalents	1,191,108	861,019
Restricted cash and cash equivalents	152,461	115,169
	1,343,569	976,188

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

	2012 \$	2011 \$
Net cost of services	(7,052,139)	(6,074,744)
<u>Non-cash items:</u>		
Depreciation and amortisation expense	250,933	180,678
Resources received free of charge	275,945	135,432
Net gain/(loss) on disposal of non-current assets	485,598	-
<u>(Increase)/decrease in assets:</u>		
Current receivables ^(a)	(143,478)	57,729
<u>Increase/(decrease) in liabilities:</u>		
Accrued salaries	(1,356)	66,208
Accrued superannuation	7,574	2,925
Accrued expenses	12,627	47,199
Current payables ^(a)	133,902	8,005
Current provisions	54,390	98,663
Non-current provisions	18,719	25,113
Net GST receipts/(payments) ^(b)	(22,917)	20,088
Change in GST in receivables/payables ^(c)	(649)	13,459
Net cash provided by/(used in) operating activities	(5,980,851)	(5,419,245)

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

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

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

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

Note 24. Commitments

The commitments below are inclusive of GST where relevant.

Lease commitments

Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the financial statements are payable as follows:

Non-cancellable operating leases commitments

	2012 \$	2011 \$
Commitments for minimum leases payments are payable as follows:		
Within 1 year	916,087	600,204
Later than 1 year and not later than 5 years	1,835,450	44,663
	2,751,537	644,867

The Office has entered into a property lease which is a non-cancellable lease with a three year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 3.5% per annum. An option exists to renew the lease at the end of the three year term for an additional term of five years.

The motor vehicle lease is a non-cancellable lease with a three year term, with lease payments monthly. New vehicle leases are negotiated at the end of this period, the number of vehicle leases being subject to the Office's operational needs.

Note 25. Contingent liabilities and contingent assets

The Office had no contingent liabilities or contingent assets.

Note 26. Events occurring after the end of the reporting period

There were no events occurring after the reporting date that impact on the financial statements.

Note 27. Explanatory statement

Significant variations between estimates and actual results for income and expense as presented in the financial statement titled '[Summary of Consolidated Account Appropriations and Income Estimates](#)' are shown below. Significant variations are considered to be those greater than 10%.

Significant variances between estimate and actual for 2012

	2012 Estimate \$	2012 Actual \$	Variance \$
Supplies and services	782,000	1,260,339	478,339
Other expenses	237,000	23,587	(213,413)
Other revenue	1,500,000	2,371,609	871,609
Resources received free of charge	106,000	275,945	169,945

Supplies and services

The increase is primarily due to additional expenses associated with the increased work in the Energy jurisdiction, expenses associated with the relocation to new accommodation and the provision of equipment for additional staff to handle increased workload and new functions. In addition some expenses included in the estimate as other expenses, were included under supplies and services for actual expenses.

Other expenses

The decrease is primarily because some expenses, included in the estimate as other expenses, were included under supplies and services for actual expenses.

Other revenue

The increase is primarily due to an increase in funding, approved by the Board of the Energy Ombudsman Western Australia, to cover additional expenses associated with a significant increase in complaints proceeding to investigation under the Energy jurisdiction.

Resources received free of charge

The increase is primarily due to government accommodation - Fit-out Depreciation, provided through the Department of Finance (Building Management and Works) for the refit of the Office's new accommodation.

Significant variances between actual results for 2011 and 2012

	2012 \$	2011 \$	Variance \$
Other revenue	2,371,609	1,656,686	714,923
Resources received free of charge	275,945	176,883	99,062
<u>Expenses</u>			
Employee benefits expense	6,306,890	5,709,530	597,360
Supplies and Services	1,260,339	1,004,258	256,081
Accommodation expense	1,096,401	812,271	284,130
Depreciation and amortisation expense	250,933	180,678	70,255

Other revenue

The increase is primarily due to an increase in funding, approved by the Board of Energy Ombudsman Western Australia, to cover additional expenses associated with a significant increase in complaints proceeding to investigation under the Energy jurisdiction.

Resources received free of charge

The increase is primarily due to government accommodation - Fit-out Depreciation, provided through the Department of Finance (Building Management and Works) for the refit of the Office's new accommodation.

Employee benefits expense

The increase is primarily due to increased staff recruited to handle the increased work in the Energy jurisdiction (offset by increased revenue from the Board of the Energy Ombudsman Western Australia) and work to develop the new function of family and domestic violence fatality reviews.

Supplies and Services

The increase is primarily due to additional expenses associated with the increased work in the Energy jurisdiction, expenses associated with the relocation to new accommodation and the provision of equipment for additional staff to handle increased workload and new functions.

Accommodation expense

The increase is due to the costs of additional space to accommodate the increase in staff required to handle the work associated with an increase in complaints and new functions for the Office and the Fit-out Depreciation provided through the Department of Finance (Building Management and Works) for the Office's new accommodation.

Depreciation and amortisation

Due to the size of the Office, there are fluctuations from year to year in the capital purchases resulting in associated fluctuations in depreciation.

Note 28. Financial instruments

(a) Financial risk management objectives and policies

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

Credit risk

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

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 28\(c\) 'Financial instruments disclosures'](#) and [Note 15 'Receivables'](#).

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

Liquidity risk

Liquidity risk arises when the Office is unable to meet its financial obligations as they fall due. The Office is exposed to liquidity risk through its trading in the normal course of business. The Office 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 Office's income or the value of its holdings of financial instruments. The Office does not trade in foreign currency and is not materially exposed to other price risks. The Office's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations.

(b) Categories of financial instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2012 \$	2011 \$
<u>Financial Assets</u>		
Cash and cash equivalents	1,191,108	861,019
Restricted cash and cash equivalents	152,461	115,169
Receivables ^(a)	2,264,937	1,953,459
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	652,711	440,045

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

(c) Financial instrument disclosuresCredit risk

The following table details the Office's maximum exposure to credit risk and the ageing analysis of financial assets. The Office's maximum exposure to credit risk at 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 in financial assets. The table is based on information provided to senior management of the Office.

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

The Office does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Aged analysis of financial assets ^(a)								
	Carrying Amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
			Up to 1 month	1 – 3 months	3 months to 1 Year	1 – 5 Years	More than 5 Years	
	€	€	€	€	€	€	€	€
Financial Assets								
2012								
Cash and cash equivalents	1,191,108	1,191,108	-	-	-	-	-	-
Restricted cash and cash equivalent	152,461	152,461	-	-	-	-	-	-
Receivables ^(a)	227,937	153,530	33,926	-	40,481	-	-	-
Amount receivable for service	2,037,000	2,037,000	-	-	-	-	-	-
	3,608,506	3,534,099	33,926	-	40,481	-	-	-
2011								
Cash and cash equivalents	861,019	861,019	-	-	-	-	-	-
Restricted cash and cash equivalent	115,169	115,169	-	-	-	-	-	-
Receivables ^(a)	84,459	77,851	-	6,608	-	-	-	-
Amount receivable for service	1,869,000	1,869,000	-	-	-	-	-	-
	2,929,647	2,923,039	-	6,608	-	-	-	-

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

Liquidity risk and interest rate exposure

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

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

Weighted average effective interest rate %	Interest rate exposure				Nominal Amount	Maturity date				
	Carrying Amount	Fixed interest rate	Variable interest rate	Non-interest bearing		Up to 1 months	1-3 months	3 months to 1 Year	1 – 5 Years	More than 5 Years
€	€	€	€	€	€	€	€	€	€	€
2012										
Financial Assets										
Cash and cash equivalents	1,191,108	-	-	1,191,108	1,191,108	1,191,108	-	-	-	-
Restricted cash and cash equivalent	152,461	-	-	152,461	152,461	-	-	-	152,461	-
Receivables (a)	227,937	-	-	227,937	227,937	227,937	-	-	-	-
Amount receivable for service	2,037,000	-	-	2,037,000	2,037,000	-	-	190,000	561,000	1,286,000
	3,608,506	-	-	3,608,506	3,608,506	1,419,045	-	190,000	713,461	1,286,000
Financial liabilities										
Payables	652,711	-	-	652,711	652,711	652,711	-	-	-	-
	652,711	-	-	652,711	652,711	652,711	-	-	-	-

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

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

Weighted average effective interest rate %	Interest rate exposure				Nominal Amount	Maturity date				
	Carrying Amount	Fixed interest rate	Variable interest rate	Non-interest bearing		Up to 1 months	1-3 months	3 months to 1 Year	1 – 5 Years	More than 5 Years
€	€	€	€	€	€	€	€	€	€	€
2011										
Financial Assets										
Cash and cash equivalents	861,019	-	-	861,019	861,019	861,019	-	-	-	-
Restricted cash and cash equivalent	115,169	-	-	115,169	115,169	-	-	-	115,169	-
Receivables (a)	84,459	-	-	84,459	84,459	84,459	-	-	-	-
Amount receivable for service	1,869,000	-	-	1,869,000	1,869,000	-	-	125,000	543,000	1,201,000
	2,929,647	-	-	2,929,647	2,929,647	945,478	-	125,000	658,169	1,201,000
Financial liabilities										
Payables	440,045	-	-	440,045	440,045	440,045	-	-	-	-
	440,045	-	-	440,045	440,045	440,045	-	-	-	-

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

Interest rate sensitivity analysis

None of the Office's financial assets and liabilities at the end of the reporting period are sensitive to movements in interest rates. Movements in interest rates would therefore have no impact on the Office's surplus or equity.

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.

Note 29. Remuneration of senior officers

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

\$	2012	2011
70,001 - 80,000	1	-
80,001 - 90,000	1	-
150,001 - 160,000	1	1
160,001 - 170,000	1	2
170,001 - 180,000	-	1
200,001 - 210,000	1	-
250,001 - 260,000	1	1
360,001 - 370,000	1	1
	\$	\$
Total remuneration of senior officers	1,309,393	1,288,638

The total remuneration includes the superannuation expense incurred by the Office in respect of senior officers.

Note 30. Remuneration of auditor

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

	2012 \$	2011 \$
Auditing the accounts, financial statements and performance indicators	21,200	20,000
	21,200	20,000

Note 31. Indian Ocean Territories

The Indian Ocean Territories Reimbursement Fund was established in March 1996 and became operational in July 1996.

The purpose of the Fund is to meet the cost of the services of the Office in relation to complaints involved the Indian Ocean Territories.

The balance of the Fund at the end of the financial year is included in the Office's Operating Account.

The figures presented below for the Fund have been prepared on a cash basis.

	2012 \$	2011 \$
Opening Balance	(9,599)	11,632
Receipts	31,330	39,399
Payments	(25,622)	(60,630)
Closing Balance	(3,891)	(9,599)

Note 32. Supplementary financial information

(a) Write-offs

There was no write-off during the financial year.

(b) Losses through theft, defaults and other causes

There were no losses of public money and public and other property during the financial year.

(c) Gifts of public property

There were no gifts of public property provided by the Office during the financial year.

Key Performance Indicators

Certification of Key Performance Indicators for year ended 30 June 2012

I hereby certify that the key performance indicators are based on proper records, are relevant and are appropriate for assisting users to assess performance and fairly represent the performance of the Parliamentary Commissioner for Administrative Investigations for the financial year ended 30 June 2012.



Mary White
Chief Finance Officer

2 August 2012



Chris Field
Accountable Authority

2 August 2012

Key Performance Indicators

Key Effectiveness Indicators

The desired outcome for the Parliamentary Commissioner for Administrative Investigations (**the Ombudsman**) is:

The public sector of Western Australia is accountable for, and is improving the standard of, administrative decision making, practices and conduct.

Key Effectiveness Indicators	2007-08	2008-09	2009-10	2010-11	2011-12 Target	2011-12 Actual
Of allegations where the Ombudsman made recommendations to improve practices or procedures, percentage of recommendations accepted by agencies (a)	100%	100%	100%	100%	100%	100%
Number of improvements to practices or procedures as a result of Ombudsman action (b)	34	29	49	57	55	96

(a) For public authority responses each year, the percentage of recommendations and suggestions relating to improved practices and procedures that were accepted by the public authority.

(b) For public authority responses each year, the number of recommendations and suggestions relating to improved practices and procedures that were accepted by the public authority.

Comparison of Actual Results and Budget Targets

Commencing in 2007-08, the office of the Ombudsman (**the Office**) commenced a program to ensure that its work increasingly contributed to improvements to public administration. Consistent with this program, the number of improvements to practices and procedures of public authorities as a result of Ombudsman action in 2011-12 is a significant improvement on the 2011-12 budget target and 2010-11 actual results. The number of improvements to practices and procedures of public authorities as a result of Ombudsman action has now increased each year for the past three years and has nearly trebled from 2007-08.

For the fifth consecutive year, public authorities have accepted every recommendation made by the Ombudsman, matching the 2010-11 actual result and meeting the 2011-12 budget target.

Key Efficiency Indicators

The Ombudsman's key efficiency indicators relate to the following service:

Resolving complaints about the decision making of public authorities and improving the standard of public administration.

Key Efficiency Indicators	2007-08	2008-09	2009-10	2010-11	2011-12 Target	2011-12 Actual
Percentage of allegations finalised within three months	78%	82%	82%	78%	85%	72%
Percentage of allegations finalised within 12 months	95%	96%	99%	96%	98%	99%
Percentage of allegations on hand at 30 June less than three months old	51%	71%	63%	68%	68%	45%
Percentage of allegations on hand at 30 June less than 12 months old	85%	96%	97%	98%	97%	99%
Average cost per finalised allegation (a)	\$2,941	\$2,759	\$1,999	\$1,899	\$1,900	\$1,866
Average cost per finalised notification of the sudden or unexpected death of a child (b)	NA	NA	\$9,377	\$9,651	\$9,500	\$10,410

- (a) This is the net cost of complaint resolution services divided by the number of allegations finalised.
- (b) This is the net cost of undertaking the child death review function divided by the number of notifications finalised.

Comparison of Actual Results and Budget Targets

Overall, the timeliness of complaint handling has substantially improved over the previous five years due to a major complaint handling improvement program introduced in 2007-08. An initial focus of the program was the elimination of aged complaints, including a high number of complaints older than twelve months of age and complaints as old as six years. In 2011-12, there has been a further reduction of aged cases with 99% of allegations finalised in less than 12 months and 99% of allegations on hand less than twelve months old. Both these figures exceed 2011-12 budget targets and 2010-11 actual results. For the fourth consecutive year, the cost per finalised allegation has reduced and the Office has exceeded the 2011-12 budget target, reflecting the efficiency dividends of the program.

The program has also ensured that over the last five years the Office has been able to manage successfully a very substantial increase in the level of complaints that commenced in mid 2009. In the current financial year, complaints increased by 23%, which followed a 67% increase in complaint numbers experienced up to the commencement of the current financial year. Overall, the Office has experienced an 83% increase in the average number of complaints received in the last three years

(2009-10 to 2011-12), compared to the average for the previous three years (2006-07 to 2008-09). In this context, the actual percentages of allegations finalised within three months and the percentage of allegations on hand less than three months old have not met 2011-12 budget targets, reflecting the fact that the Office has been required to manage the further 23% increase in complaints received in 2011-12. Pleasingly, however, despite this increase in complaints, nearly three quarters of all complaints received have been resolved in less than three months.

The Office has now developed and commenced a new organisational structure and processes to promote and support early resolution of complaints. The early resolution of complaints will be a principal focus in 2012-13 and the Office expects to meet or exceed both budget targets in 2012-13.

The average cost of \$10,410 per finalised notification of the sudden or unexpected death of a child has moderately exceeded the 2011-12 budget target, reflecting an increased complexity of certain child death reviews.

Other Disclosures and Legal Compliance

Ministerial Directives

The Ombudsman reports directly to the Western Australian Parliament and is not under the control of a Minister. Ministers cannot issue directives to the Ombudsman in relation to desired outcomes or operational issues.

Other Financial Disclosures

Pricing Policies of Services Provided

The Office currently receives revenue for the functions outlined below.

- Costs for the Energy Ombudsman functions are recouped from the Energy Industry Ombudsman (Western Australia) Limited on a full cost recovery basis. These costs are determined by the actual staffing costs involved in delivering the service plus an allowance for overheads and the direct recovery of capital expenditure and particular operational expenses, such as travel.
- Under an arrangement with the Commonwealth Government, the Office handles enquiries and complaints from the Indian Ocean Territories about local government and Western Australian public authorities delivering services to the Territories. Each year the Office recoups costs from the Commonwealth Government for any complaints received from the Territories. Cost recovery is based on the average cost per complaint in the last two years as published in the Office's annual reports. Administrative costs and the costs of any travel to the Territories by the Ombudsman or staff and any promotional materials are also recouped in full.
- The Office is a partner with the Commonwealth Ombudsman and the New South Wales Ombudsman in an AusAID funded program in Indonesia (funded under the AusAID Government Partnership Fund), the principal goal of which is to provide greater access, across Indonesia, to more effective and sustainable Ombudsman Services. The Office recoups costs for these activities from the Commonwealth Ombudsman's Office in accordance with the Australia Indonesia Partnership for Reconstruction and Development Government Partnership Fund Guidelines.

Capital Works

The development of a database for case management of child death reviews commenced in 2010-11. Further development was undertaken in 2011-12 to provide for case management for a new function for the Office to review family and domestic violence fatalities. The estimated total cost of the project is \$150,000 and, as at 30 June 2012, the outstanding amount required to complete the project was \$47,000, \$21,000 of which was already committed. The remaining \$26,000 will be used in 2012-13 to complete the project. There were no other major capital projects in 2011-12.

Employment and Industrial Relations

Employment of Staff

Staff numbers at the Office have increased in 2011-12 due to an increase in the number of complaints received in both the State Ombudsman and Energy Ombudsman jurisdictions and the commencement of the family and domestic violence fatality review function.

Over the full year for 2011-12 there was an average of 58 full-time equivalent positions (**FTEs**). There were also additional staff seconded into the Office and people employed through a recruitment agency to cover short term vacancies and work requirements.

As at 30 June 2012 there were 70 staff (63.8 FTEs) undertaking the work of the Office. There were 64 people (57.8 FTEs) directly employed by the Office, including 53 full-time employees and 13 part-time employees. This includes people on unpaid leave, contract staff providing short term expertise and backfilling staff during extended leave periods and people seconded out of the Office. The net total is adjusted for people seconded into and out of the Office and people employed through a recruitment agency to cover short term vacancies.

All employees are public sector employees operating in executive, policy, enquiry, investigation and administrative roles. The following table provides a breakdown of the categories of employment for staff as at 30 June over the past three years.

Employee Category	2009-10	2010-11	2011-12
Full-time permanent	37	40	40
Full-time contract	8	9	12
Part-time permanent	13 (8.6 FTEs)	11 (7 FTEs)	11 (5.3 FTEs)
Part-time contract	0	2 (0.9 FTEs)	1 (0.5 FTEs)
TOTAL	58 (53.6 FTEs)	62 (56.9 FTEs)	64 (57.8 FTEs)
Employees seconded out (included in numbers above)	-2 (2 FTEs)	-2 (2 FTEs)	-2 (2 FTEs)
Employees seconded in (not included in numbers above)	4 (4 FTEs)	2 (2 FTEs)	3 (3 FTEs)
Temporary staff employed through recruitment agencies	3 (3 FTEs)	4 (3.4 FTEs)	5 (5 FTEs)
NET TOTAL (FTE)	58.6	60.3	63.8
NET TOTAL (Head Count)	63	66	70

Human Resources Strategy 2009-12

The Office continued with the implementation of the Human Resources Strategy 2009-12 (**the Strategy**) during the year. The Strategy aims to support the attraction and retention of staff and staff development through performance management and continuous professional development. Work was undertaken on the Strategy in three key areas:

- **Recruitment, Retention and Engagement of High Quality Staff**

Recruitment practices are proving successful in attracting staff to apply for positions with the Office, with high numbers of quality applications received for positions advertised during the year. The Office provides benefits for staff such as flexible work options and part-time arrangements and this is promoted in all job advertisements. Staff use flexible work options, and staff, in all areas and at all levels, have access to, and use, part-time or purchased leave arrangements as well as working from home arrangements.

- **Accounting for Performance**

The Office's performance management system includes identifying expectations as well as performance-based recognition. Managers and staff annually formalise a performance agreement that provides a framework to:

- Identify and acknowledge the contribution employees make in the achievement of the Office's operational and strategic goals; and
- Develop and retain skilled employees and assist employees achieve their professional and personal career goals.

- **Continual Learning**

The Office prepares a *Training and Continuous Professional Development Calendar* each year and in 2011-12 held four in-house training sessions and four professional development sessions for staff. Where appropriate the sessions use the expertise of senior staff of the Office to deliver the material. To supplement this in-house program, staff are encouraged to attend external training, conferences and seminars to improve their skills and knowledge in areas relevant to their work. These opportunities are facilitated through development plans as part of staff annual performance reviews and the continual learning assists with positioning the Office as an employer of choice.

Workforce Plan

In 2011-12, the *Workforce Plan 2012-2014* was developed in accordance with the *Public Sector Commissioner's Circular 2010-02: Workforce Planning And Diversity In The Public Sector*, Part IX of the *Equal Opportunity Act 1984*, and *Strategic Directions for the Public Sector Workforce 2009-2014*. The Office has four key focus areas for 2012-2014 covering:

- The scheduled review of the strategic plan and related human resources strategies;
- Workforce reporting to Corporate Executive that shows the status of key workforce indicators;

- Collation of information on current skills of staff and future continuous professional development requirements from the performance management process; and
- Continuing to develop innovative and effective strategies to improve workforce diversity.

Induction

The Online Induction mini-site and the Induction Reference Book are provided to all new employees to the Office. The Online Induction mini-site and Reference Book contain useful information on the Office's strategic direction, structure and roles, policies and procedures and facilities.

Staff recruited in 2011-12 have provided feedback that the induction process is welcoming and useful in assisting new employees to understand the Office's direction, expectations and processes. The product has also proved valuable for existing staff members to keep them informed and updated about policy and governance issues within the Office.

Governance Disclosures

Shares in Statutory Authorities

This is not relevant as the Office is not a statutory authority and does not have shares.

Shares in Subsidiary Bodies

This is not relevant as the Office does not have any subsidiary bodies.

Interests in Contracts by Senior Officers

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

Employees are aware through the *Code of Conduct* that they have an obligation to disclose interests that could reasonably create a perception of bias, or an actual conflict of interest, and members of Corporate Executive are asked to declare any interests at each Corporate Executive meeting. In addition, senior staff are aware of the *Conflict of Interest Guidelines* developed by the Integrity Coordinating Group, of which the Ombudsman is a member.

The Office's policy on identifying and addressing conflict of interest includes any interest of a senior officer, or a firm of which a senior officer is a member, or an entity in which the senior officer has a substantial financial interest, in any existing or proposed contract made with the Office.

There have been no declarations of an interest in any existing or proposed contracts by senior officers.

Benefits to Senior Officers through Contracts

This is not applicable as no senior officers have received any benefits.

Insurance Paid to Indemnify Directors

This is not applicable as the Office does not have any directors as defined in Part 3 of the [Statutory Corporations \(Liability of Directors\) Act 1996](#).

Other Legal Requirements

Advertising and Sponsorship Expenditure

During 2011-12 the Office incurred the following expenditure in relation to advertising, market research, polling, direct mail and media advertising that requires disclosure under s.175ZE of the [Electoral Act 1907](#).

Total expenditure was \$8,519 for advertising vacant positions and promoting regional visits.

Category of Expenditure	Total	Company
Advertising agencies	Nil	Nil
Market research organisations	Nil	Nil
Polling organisations	Nil	Nil
Direct mail organisations	Nil	Nil
Media advertising organisations	\$8,143	Adcorp
	\$376	Seek

Disability Access and Inclusion Plan Outcomes

The Office is committed to providing optimum access and service to people with disabilities, their families and carers. The Office's Disability Access and Inclusion Plan includes the following initiatives.

Initiative 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority.

People with a disability have an equal opportunity to participate in consultation, decision making, events, processes, complaints and other services provided by the Office. Venues for events and meetings are assessed for suitable access for people with disabilities. A notice regarding disclosure of 'special access or dietary requirements', is added to all invitations for events coordinated by the Office.

Initiative 2: People with disabilities have the same opportunities as others to access the buildings and other facilities of a public authority.

Disability access was a key consideration in preparation for the Office's move to Albert Facey House in March 2012. The new building provides access for people with disabilities, including lifts that accommodate wheelchairs and feature braille on the access buttons. Accessible and ambulant toilets are located on all floors used by the Office (the Ground Floor, Level 2 and Level 3), and a low reception desk on Level 2 accommodates wheelchair access. The building also includes electronic doors at the entrance and through to the lifts, a ramp at the front of the building, and a disabled parking bay beneath the building.

Initiative 3: People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.

All Office documents are in plain English and publications are available in alternative formats on request. The Office's website meets the requirements set out in the Public Sector Commission's Website Governance Framework, including access requirements. Information published on the website can be viewed and printed in alternative sizes and online documents are published in PDF format to allow browsers to use screen readers as required. TTY phone access is available and signs are provided in the reception area to assist visitors who have a hearing loss. The Office also provides suitable equipment to enable employees with vision impairments to access electronic information.

Initiative 4: People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.

The services provided by the Office have been adapted to reduce access barriers for people with disabilities and information is available in various formats on request. Staff receive disability access awareness training and watch a DVD about their obligations in dealing with people with a disability at induction. The Office has an internal guideline for staff on *Assisting complainants with vision, hearing or speech impairments*. The document is part of the internal Complaint Handling Toolkit and provides useful information, contacts and procedures for all staff when dealing with a complainant with a disability.

Initiative 5: People with disabilities have the same opportunities as other people to make complaints to a public authority.

A key role of the Office is to handle complaints about public authorities and anyone with a disability has an equal opportunity to make a complaint. Where necessary, the complaint process is modified to meet the needs of a person with a disability. This includes meeting people outside the Office and modifying communication strategies, for example, by using a translator (such as TTY or Auslan) where required.

Initiative 6: People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.

Staff and members of the public with a disability have an equal opportunity to participate in any consultation process. Most consultation is handled electronically and the website meets disability access requirements. Documents can be made available in alternative formats to meet the needs of people with disabilities.

Compliance with Public Sector Standards and Ethical Codes

As an independent accountability agency and a member of the Integrity Coordinating Group, the Office has a strong commitment to promoting and strengthening integrity in public authorities and building integrity in the conduct of public officers. The Office understands that its good conduct is essential to its reputation, which in turn influences its business activities. The Office aspires to lead by example and is committed to ensuring compliance with, and monitoring of, the *Public Sector Standards in Human Resource Management*, the Western Australian public sector *Code of Ethics* and the Office's *Code of Conduct*. The Corporate Executive, which includes the Ombudsman, promotes these principles and guidelines within the Office.

The Office has policies, guidelines, strategies, procedures and processes that support the application of:

- The Western Australian Public Sector *Code of Ethics*;
- The Office's *Code of Conduct*;
- The Public Sector Standards in Human Resources Management;
- Part IX of the [Equal Opportunity Act 1984](#); and
- A family friendly workplace.

An independent *Employee Perceptions Survey (the Survey)* was conducted by the Public Sector Commission in August 2011 and the results, including comparisons to the sector as a whole, were presented to Corporate Executive in November 2011. The survey, which had a strong response rate of 73%, showed high awareness of public sector standards and ethical codes. The Survey also provided useful information for the Office's continuous improvement to related policies and practices.

The following table identifies action taken to monitor and ensure compliance with each of these areas and any compliance issues that have arisen in 2011-12.

Significant Action to Monitor and Ensure Compliance with Western Australian Public Sector Standards

Managers and staff are aware of, and are required to comply with, the *Public Sector Standards in Human Resource Management*. This is supported by policies and procedures relating to each of the public sector standards, regular professional development for managers and staff about the standards and related policies, a requirement that there be at least one trained person on selection panels and the inclusion of the policies in the induction process. Monitoring provisions include:

- For recruitment, selection and appointment, an individual review of each process is undertaken prior to the final decision to ensure compliance with the Employment Standard;
- A review process to ensure that, for acting opportunities and secondments, a merit-based process is used and there are no inadvertent extensions that result in long-term opportunities without expressions of interest or a full merit selection process;
- A monitoring process to ensure there are current performance management processes in place for all employees; and
- An independent survey of employee perceptions by the Public Sector Commission in August 2011, which included questions relating to awareness of, and compliance with, the public sector standards.

The survey showed very high awareness of the standards, and understanding of the courses of action available to staff should a breach of standard occur. A high proportion of staff also considered the Office had clearly documented policies and procedures including for employment, professional development and performance management.

Compliance issues: Internal reviews have shown compliance with the Standards is achieved before any final decision is made.

Significant Action to Monitor and Ensure Compliance with Western Australian Public Sector Code of Ethics

The *Code of Ethics* is available on the Office's intranet and is part of the Online Induction for new staff. Guidelines for *Ethical and Accountable Decision Making* have been developed as a ready reference for staff when dealing with a difficult situation related to the *Code of Ethics* and the Office's *Code of Conduct*. The Guidelines are based on the *Accountable and Ethical Decision Making in the WA Public Sector* training materials provided by the Public Sector Commissioner.

The Office's *Code of Conduct* is designed to provide guidance to staff on conduct that will ensure compliance with the *Code of Ethics*. Details of further action to monitor and ensure compliance with both these ethical codes are provided below.

Compliance issues: There has been no evidence of non-compliance with the *Code of Ethics*.

Significant Action to Monitor and Ensure Compliance with Ombudsman Western Australia Code of Conduct

The Office's *Code of Conduct* supports the *Code of Ethics* and links the Office's corporate values with expected standards of personal conduct. All staff, contractors and consultants who carry out work for, or on behalf of, the Office are required to comply with the spirit of the *Code of Conduct*, which has the premise that all staff accept personal responsibility for their behaviour, such behaviour being what the Office would expect of a person employed to serve the interests of the citizens of Western Australia. On appointment, all staff sign the *Code of Conduct* to confirm their understanding of its application in the workplace and swear an oath or make an affirmation about maintaining appropriate confidentiality.

Ethics and conduct related policies have been developed, including policies and procedures for declaring and managing conflicts of interest and gifts. Policies, practices and potential issues are regularly discussed at Corporate Executive and Management Consultative Committee meetings and managers and supervisors then follow this up with staff at individual team meetings. There is regular professional development for managers and staff about the ethical codes and related policies, and the codes and policies are included in the induction process.

The Office has procedures in place for reporting unethical behaviour and misconduct. The Office also has a Public Interest Disclosure Policy and strongly supports disclosures being made by staff. The Ombudsman will take all reasonable steps to provide protection to staff who make such disclosures from any detrimental action in reprisal for making a public interest disclosure. The Office has trained all Public Interest Disclosure Officers and provides guidelines to staff wishing to make such disclosures.

Monitoring provisions for both the *Code of Ethics* and the *Code of Conduct* include:

- High level review, and Ombudsman sign off, for management of conflicts of interest and gifts;
- High level analysis and sign off of requests for review of the Office's handling of a complaint and any complaints about the conduct of staff;
- Internal audits each year on financial management and every two years on procurement, that are referred to the Audit and Risk Management Committee; and
- An independent survey of employee perceptions by the Public Sector Commission In August 2011, which included questions relating to ethics and public interest disclosures.

The survey showed a high level of awareness of the Code of Ethics and the Office's Code of Conduct. A high proportion of staff were aware of the Office's policies and procedures for managing conflicts of interest and gifts, and reporting unethical behaviour and misconduct, and were aware how to make a public interest disclosure. All staff who responded considered that confidential information is only disclosed to appropriate people

Compliance issues: There has been no evidence of non-compliance with the Office's Code of Conduct and there were no public interest disclosures about the activities of the Office.

Corporate Governance Framework

The Office's corporate governance framework is based on the Public Sector Commissioner's *Good Governance Guide*.

Principle 1: Government and public sector relationship (The organisation's relationship with the government is clear)

The Ombudsman is an independent officer appointed by the Governor of Western Australia. The Ombudsman is responsible directly to the Parliament rather than to the government of the day or a particular Minister. The [*Parliamentary Commissioner Act 1971*](#) regulates the operations of the Office.

Delegations for communication and interaction between Ministers and other Parliamentary representatives are identified in the Office's *Instruments of Delegations*, in particular those relating to external communications, and staff are aware of these delegations.

Principle 2: Management and oversight (The organisation's management and oversight is accountable and has clearly defined responsibilities)

The Office's *Strategic Plan 2009-2012* outlines the Office's vision, mission and values, and provides a framework for the strategic direction for 2009 to 2012 with identifiable key measures of success. The Office's operational planning identifies how the key strategies in the *Strategic Plan* will be achieved through a detailed list of key projects, measures and targets. The *Strategic Plan* will be reviewed in 2012 to incorporate a range of new functions coming to the Office.

Chief Executive Officer delegations are set out in the Office's *Instrument of Delegation – Chief Executive Officer Functions*. Statutory delegations under the *Parliamentary Commissioner Act 1971* and administrative arrangements for statutory roles are set out in the *Ombudsman Western Australia, Statutory Delegations and Administrative Arrangements* document.

The Office has a strong organisational policy framework covering governance, conduct, communications, information technology, human resources, finance and procurement. Policies and guidelines are available to staff through the Office's intranet and as part of the Online Induction.

The Ombudsman undertakes the role of Energy Ombudsman under a service delivery arrangement with the Energy Industry Ombudsman (Western Australia) Limited (**the governing body**). Management and oversight are included in the annual report of the Board of the governing body.

The Office has an Internal Audit and Risk Management Charter and Committee. An external quality assurance review of the Office's internal audit function has been undertaken to ensure the Office conforms with the Institute of Internal Auditors international standards for the professional practice of internal auditing.

Principle 3:	Organisational structure	(The organisation's structure services its operations)
<p>Decision making responsibilities for the Office lie with the Executive Team, comprising the Ombudsman, Deputy Ombudsman and Principal Assistant Ombudsman Strategic Services, and the Corporate Executive which also includes the leaders of the Complaint Resolution, Investigations and Inspections, Administrative Improvement and Review teams.</p> <p>The Office's organisational structure has been created in line with its operations and reflects its key strategic direction covering complaint resolution, improved public administration, child death reviews, audit and review of statutory compliance, good governance and a skilled and valued workforce. The Office undertakes continuous improvement to the structure to ensure it remains relevant and effective with changes linked to the <i>Strategic Plan</i> and redirection of resources within the structure to respond to workload priorities. A detailed organisational chart provides a reference for staff on the intranet.</p> <p>In 2011-12, a new position of Principal Assistant Ombudsman, Investigations and Inspections was created to bring in specialist skills for complex investigations and the inspection functions of the Office.</p>		
Principle 4:	Operations	(The organisation plans its operations to achieve its goals)
<p>The organisational structure, business processes and key performance indicators are linked to the strategic goals and outcomes in the <i>Strategic Plan 2009-2012</i>. Progress toward key performance indicators and major strategic projects is monitored through reports to the Corporate Executive and is reported in the annual report each year. Operations are linked to the <i>Strategic Plan</i>, progress on projects is reported to Corporate Executive and priorities are altered based on strategic and environmental imperatives.</p> <p>An Online Complaint Handling Toolkit is available to all enquiry and investigating staff for the purpose of achieving consistent, efficient and effective complaint handling. It is updated regularly as new processes, or updates to processes occur. The Office has continued work on a Precedents Database as a reference tool for staff on past decisions and best practice examples. Processes have been developed for the ongoing identification and development of material for inclusion in the database.</p> <p>A Child Death Review Advisory Panel provides independent advice to the Ombudsman. The Panel is an advisory body, separate from the administrative and policy processes of the Office, and does not review child death cases. Terms of appointment apply to all panel members.</p> <p>For the Energy Ombudsman role, the Office prepares a Business Plan and Budget for approval by the Board of the governing body each year.</p>		

Principle 5: Ethics and Integrity**(Ethics and integrity are embedded in the organisation's values and operations)**

The Office's values are to be fair, independent and accountable (including being rigorous, responsible and efficient). In line with these values, the Ombudsman observes an independent and impartial approach to the conduct of investigations as well as observing procedural fairness at all times.

Ethics and integrity are contained within the *Code of Conduct* and *Guidelines for Ethical and Accountable Decision Making*. Staff are required to sign a Conduct Agreement to confirm their understanding of the application of the *Code of Conduct* in the workplace.

As the Ombudsman is a member of the Integrity Coordinating Group, the Office coordinates activities, fosters consistency in communication and education, and collaborates on shared activities to support integrity throughout the public sector.

Through the Online Induction, staff are made aware of the [Public Interest Disclosure Act 2003](#) and the protections that apply. The Office has identified Public Interest Disclosure Officers who receive public interest disclosure information. Staff are also made aware of the Office's Conflict of Interest and Gift Policies and registers and how they should be declared. When conflict of interest declarations are made, the Ombudsman assesses what action needs to be taken and where appropriate, removes the officer from any involvement in the matter.

Principle 6: People**(The organisation's leadership in people management contributes to individual and organisational achievements)**

It is a strategic direction of the Office to attract, develop and retain a skilled and valued workforce with a culture that supports high quality, responsive and efficient service; and to treat people professionally, courteously and with appropriate sensitivity.

The Office continues to implement its *Human Resources Strategy*, which focuses on the recruitment, retention and engagement of staff; individual performance and development; and continual learning. For more information see [Human Resources Strategy 2010-2012](#). The *Workforce Plan 2012-2014* provides a strong workforce planning framework to support the achievement of the goals in the strategy.

The Office has a strong human resources policy framework covering employment of staff, conditions of employment, flexible work arrangements, staff development, study assistance, employee relations (including grievance resolution) and occupational safety and health.

Principle 7: Finance **(The organisation safeguards financial integrity and accountability)**

The Office produces an annual budget, by team and by function, which is approved by Corporate Executive to ensure that it is in line with the strategic direction of the Office. Financial integrity and accountability is secured through reporting to Corporate Executive.

The Office also has a *Financial Management Manual*, designed to assist employees to perform their tasks efficiently and effectively by assisting them to become fully conversant with the financial management aspects of the Office's operations, and to ensure disruptions to operations are minimised as a result of staff changes. The processes in the manual are consistent with relevant Treasurer's Instructions and State Supply Commission policies.

An Internal Audit and Risk Management Committee reviews an audit of financial management each year against the policies and procedures in the *Financial Management Manual*. Every two years an audit is conducted on procurement. The procurement audit in 2010-11 showed no areas of non-compliance with State Supply Commission requirements and the financial audit in 2011-12 concluded that a good level of internal control is being maintained over financial management functions to ensure compliance with financial legislation.

Principle 8: Communication **(The organisation communicates with all parties in a way that is accessible, open and responsive)**

To ensure services are accessible, open and responsive, the Office communicates with its key stakeholders using a range of communication channels, adapted to suit the audience. The Office also provides guidance for dealing with people with disabilities and people from culturally and linguistically diverse backgrounds. Policies covering record keeping, records management and communications ensure the Office safeguards the confidentiality and integrity of information, preventing unauthorised or false disclosure.

Communication with external stakeholders occurs through the Office's complaint handling service, Regional Awareness and Accessibility Program, workshops, advice to public authorities, Integrity Coordinating Group Forums, publications and information on the website. Information about the Office has been translated into 15 languages and is available in other formats as requested.

Monthly Staff Meetings and separate team meetings provide a forum for sharing information internally and the Staff Consultative Committee has input into Office policies and procedures that affect staff, by considering issues and making recommendations. The committee is made up of management and staff representatives from all teams in the Office.

Principle 9: Risk Management (The organisation identifies and manages its risks)

The Office identifies and manages its risk through a *Risk Management Plan* that has been created in line with the Office's *Strategic Plan 2009-2012*. A review of the *Risk Management Plan* was conducted during 2011-12 to ensure it continues to be relevant. The Office also has a *Business Continuity Plan* to ensure it can respond to, and recover from, any business disruption.

Under the *Risk Management Plan*, controls have been identified for significant risks and any action required is assigned to a relevant member of Corporate Executive. Progress on these actions is monitored through reporting to Corporate Executive.

The internal audit plan is based on the areas of risk identified in the *Risk Management Plan* and the Audit and Risk Management Committee oversees these audits and the *Audit Plan* for each year.

Record Keeping Plans

Records Management Framework

The Office is committed to maintaining a strong records management framework and aims for best practice record keeping practices. The Office is continuously improving record keeping practices to ensure they are consistent with the requirements of the [State Records Act 2000](#) and meet the needs of the Office for high quality record keeping. The Office's framework includes:

- A Record Keeping Plan, a Retention and Disposal Schedule, a Records Keeping Policy, a Records Classification Plan and Security Framework and a Records Disaster Recovery Plan;
- An electronic document records management system (**EDRMS**) called Tower Records Information Management (**TRIM**), which was implemented in 2005 and upgraded in 2011-12; and
- A series of guidelines and user manuals for staff.

Evaluation and Review of Efficiency and Effectiveness of Systems

During 2011-12, the Office's record keeping processes continued to undergo reviews to ensure compliance with the Records Management Framework and promote best practice record keeping.

During the year the Office moved from St Martins Tower to Albert Facey House. An evaluation was conducted of the systems needed for onsite and offsite storage in the new premises to ensure that records could be safely stored and efficiently retrieved. An evaluation was also conducted to identify the best process for the transfer of records safely, confidentially, efficiently and with minimal disruption to core services.

Records Plans and Policies

The Office has a range of plans and policies designed to ensure effective record keeping suited to the Office's needs as outlined in the Record Management Framework above.

During the year the Retention and Disposal Schedule was reviewed to provide for retention and disposal of records associated with new functions for the Office and was approved by the State Records Commission in December 2011. Following this approval the new schedule was implemented and posted on the Office's intranet.

Offsite Storage and Disposal

The Office continues to maintain an off-site storage facility for the storage of all 'significant' complaint files and all other relevant files for the duration of their retention. A regular disposal program is undertaken to ensure ongoing onsite storage capacity and minimise use of offsite storage.

In preparation for the Office relocation in March 2012 a project was undertaken to destroy or move offsite as many files as possible. The remaining files were carefully packed into sealed crates for transportation with sensitive files being escorted by records staff members. The relocation of all business records was achieved with a minimum of disruption to staff. Records requiring immediate attention were available on the first day and full records functions were available on the second day in the new premises.

Following the review of storage of archived records, records with the sentence 'archive' are now identified and prepared for storage that meets the requirements as outlined in the State Records Office publication *Directions for keeping hardcopy State archives awaiting transfer to the State Records Office*.

This preparation involves scanning of all documents so that the Office has a complete electronic copy of a file when the hard copy file is sent offsite, removal of all staples, clips or adhesive notes and packaging in acid free polypropylene sheet protectors.

Electronic Records Management

All incoming, outgoing and significant internal documents are saved electronically into the EDRMS. Staff are required to save their final electronic documents into the EDRMS as well as saving electronic mail and facsimiles directly into the EDRMS.

The complaints management system, RESOLVE, which was installed in April 2008 for the State Ombudsman jurisdiction and in June 2007 for the Energy Ombudsman jurisdiction, continues to perform effectively with TRIM. It increases efficiency as all records created in RESOLVE are saved automatically into the EDRMS and records saved directly to the EDRMS are able to be accessed through RESOLVE. A further RESOLVE complaints management system has been installed for the child death review function and this system is currently being upgraded to include the family and domestic violence fatality review function.

Induction and Training

All records related plans, policies, guidelines and manuals are available on the Office's intranet to assist staff to comply with their record keeping requirements and include user friendly guides for training staff. The Office's Online Induction mini-site, developed in 2010-11, includes a section on record keeping. This is part of the induction process for new staff and is also available as a resource for existing staff members. The induction process also includes individual training sessions with new staff members conducted by the Customer Service and Records Manager soon after appointment. Follow up training and help desk assistance are provided as required.

The efficiency and effectiveness of the training for record keeping was reviewed as part of the internal audit completed in February 2011 and was found to be effectively operating in practice. An independent Survey by the Public Sector Commission in August 2011 showed most staff considered that they receive appropriate training or have access to information that enables them to meet their record keeping responsibilities and that good information management practices are promoted and supported in their work area.

Government Policy Requirements

Substantive Equality

The Office does not currently have obligations under the Substantive Equality Framework as it is not a member of the Strategic Management Council. However, the Office is committed to the objectives of the policy, including the elimination of systemic racial discrimination in the delivery of public services, and the promotion of sensitivity to the different needs of key stakeholders.

The Office understands the importance of appropriate service delivery for people from culturally and linguistically diverse backgrounds. To ensure that services provided by the Office are as accessible as possible:

- Information on how to make a complaint to the Ombudsman is available in 15 languages and features on the homepage of the Office's website;
- All publications are available in alternative formats and can be translated on request and information published on the Office website can be viewed and printed in alternative formats;
- TTY phone access is available, and promoted to, people with a hearing impairment;
- Details for Translating and Interpreting Services are promoted on the website and in publications for people with English as a second language; and
- Interpreters and translators are regularly used when resolving complaints. Complaints can be written in the person's first language and the Office arranges translators for the incoming complaint and outgoing response and staff use interpreters, either face to face or by telephone, when discussing complaints with people whose first language is a language other than English.

The Office also has an Equal Employment Opportunity Plan for 2010-2012.

Occupational Safety, Health and Injury Management

Commitment to Occupational Safety, Health and Injury Management

The Office is committed to ensuring a safe and healthy workplace. The goal is for a workplace that is free from work-related injuries and diseases by developing and implementing safe systems of work and by continuing to identify hazards and control risks as far as practicable.

The Office maintains an Occupational Safety and Health (**OSH**) framework that includes:

- Managing and reporting workplace hazards, incidents and injuries;
- Safe work practices;
- Injury management, including a Return to Work Program that extends to non-work related injuries;
- Emergency procedures; and
- General employee health and wellbeing, including an Employee Assistance Program.

All employees and contractors are made aware of their OSH responsibilities through an Online Induction that includes a component on OSH as well as safe work practices in an office environment. This is also used as an information source for existing staff. The Office's policies and guidelines are also accessible to employees through the Office's intranet.

There is a strong executive commitment to the health and safety of staff. Hazards and other issues relating to health and safety can be raised directly with the Principal Assistant Ombudsman, Strategic Services and key issues are brought to the attention of the Ombudsman, who is committed to their prompt and effective resolution.

Consultation

The Office promotes a consultative environment in which management, staff and other stakeholders work together to continually improve OSH practices. Formal mechanisms for consultation with employees and others on OSH matters include:

- Prior to the Office's relocation to Albert Facey House in March 2012, management and staff were represented on a committee comprised of independent agencies co-located at St Martins Tower that met regularly and incorporated OSH as a standing item. At Albert Facey House, the OSH responsibilities for the building as a whole are the responsibility of the Department of Finance - Building Management and Works with input directly from individual tenants or through tenants meetings;
- The Office has OSH responsibilities within its tenancy but works closely with the building management to ensure a safe working environment is maintained;
- The Staff Consultative Committee has OSH responsibilities and a staff contact person for OSH is a member of the committee. OSH matters are a standing item on the agenda to allow Committee members to refer matters raised by staff to the

committee for resolution and inform their team of issues and safe working practices raised at committee meetings;

- There is dissemination of OSH information and discussion at monthly Staff Meetings;
- There is regular training on OSH matters for both management and staff. In 2011-12 there was OSH training for managers in October 2011 and a follow up session in December 2011, an OSH session for staff in December 2011 and an ergonomic education session for staff in June 2012, after the move to new premises in March; and
- There is a contact person for the change in Office premises who handles OSH issues and identification of hazards arising from the move to new premises.

Statement of Compliance

The Office complies with the injury management requirements of the [Workers' Compensation and Injury Management Act 1981](#) and is committed to providing injury management support to all workers who sustain a work related injury or illness with a focus on a safe and early return to their pre-injury/illness position. Rehabilitation support is also provided to employees with non-work related injuries or when recovering from a protracted illness.

As part of this approach, the Office encourages early intervention in injury management, and ensures there is early and accurate medical assessment and management of each injury, work related or not.

Self Evaluation

An audit of the Office's OSH systems was conducted internally in 2009 against the elements of the WorkSafe Plan. The results of the audit were used to develop an OSH framework that was endorsed by the Staff Consultative Committee and approved by Corporate Executive in June 2009.

There is ongoing review of the Office's emergency procedures for dealing with unreasonable conduct by visitors to the Office and interim procedures were put in place during the transition to Albert Facey House to ensure the safety of staff while alarms were being tested.

Internal evaluation of the new accommodation at Albert Facey House was conducted both before and after moving to the new Office and identified OSH changes have been promptly addressed.

During 2011-12 there were two trial evacuations of St Martins Tower, where the fire alarms were sounded and all staff in St Martins Tower were evacuated for drill purposes. There has been one similar trial evacuation of Albert Facey House since the Office relocated there in March 2012.

Following the move to Albert Facey House, an external accredited assessment of the Office's OSH management systems will be undertaken in 2012-13.

Annual Performance

During 2011-12 there were no workers' compensation claims recorded within the Office.

The Office's OSH and injury management statistics for 2011-12 are shown below.

Occupational Safety and Health Statistics	2011-12 Target	2011-12 Actual
Number of fatalities	0	Target achieved, 0
Lost time injury/diseases (LTI/D) incidence rate	0	Target achieved, 0
Lost time injury severity rate	0	Target achieved, 0
Percentage of injured workers returned to work within (i) 13 weeks; and (ii) 26 weeks	Greater than or equal to 80% return to work within 26 weeks	Not applicable - no lost time injuries
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	> 80%	Target achieved, 86%

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