



OPSSC

Office of the
**Public Sector
Standards
Commissioner**

Office of the Public Sector Standards Commissioner

Annual Report 2004 - 2005

OPSSC

04/05

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Websites

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Office of Equal Employment Opportunity
<http://www.oeeo.wa.gov.au>

Public Interest Disclosures
<http://www.opssc.wa.gov.au/html/disclosure01.htm>

Where can the Report be Obtained

The report is available in both PDF and HTML electronic formats on the Office's website at: www.opssc.wa.gov.au

For people with disabilities, this document and other publications are available in alternative formats upon request.



WESTERN AUSTRALIA



Office of the
**Public Sector
Standards**
Commissioner

HON DR G I GALLOP MLA
MINISTER FOR PUBLIC SECTOR MANAGEMENT

REPORT FOR THE YEAR ENDED 30 JUNE 2005

I submit for your information and presentation to Parliament, the Annual Report of the Office of the Public Sector Standards Commissioner for the year ended 30 June 2005.

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

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

Ms Maxine Murray
COMMISSIONER FOR
PUBLIC SECTOR STANDARDS

30 AUGUST 2005

ABOUT THIS REPORT

What this Report is about

This report describes the functions of the Office of the Public Sector Standards Commissioner (OPSSC) and the Office of the Director of Equal Opportunity in Public Employment. It also presents the audited financial statements and performance indicators and provides an account of the operations and outcomes for the 2004-05 financial year.

In addition to this report, both the Commissioner and the Director of Equal Opportunity in Public Employment prepare the following separate reports on activities:

- The Commissioner's Annual Compliance Report is submitted directly to Parliament and covers the extent of public sector compliance and non-compliance with the human resource standards and ethical codes; and
- The Annual Report of the Director of Equal Opportunity in Public Employment covers all matters associated with Part IX of the *Equal Opportunity Act 1984* and the equity and diversity outcomes for public authorities. This report is submitted to the Minister for Public Sector Management who then tables the report in Parliament.

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The Commissioner's Overview

Over the last year my Office has consolidated its business model of compliance enhancement for the public sector and completed significant development work in improving regulations and in the overall coordination of integrity across the sector. One of the key goals of my Office is to assist agencies in building their capacity to foster ethical decision-making. In 2004-05 the "Building and Sustaining Integrity – Integrating Ethics into Everyday Business" strategy was launched to reinforce this focus.

To strengthen integrity across the sector and to foster greater policy coherence and operational co-ordination between the core integrity bodies, the Office also initiated the creation of the Integrity Co-ordinating Group (ICG). The ICG comprises the Commissioner, the Auditor General, the Corruption and Crime Commissioner and the WA Ombudsman.

The *Public Interest Disclosure Act 2003* (PID Act) is a relatively new piece of legislation. To assist public authorities to comply with the Act, assistance material was developed and more streamlined systems were put in place to monitor compliance. The communication program has been expanded to improve understanding in the sector about public interest disclosure and instil a high level of public confidence in its operation. Employee awareness of the PID Act will be measured using the new climate survey, which incorporates a range of new PID related questions.

To maintain an effective monitoring role of the public sector, my Office undertook agency reviews, including climate surveys in 12 public authorities. Findings on the extent of compliance with the Standards, ethical codes and equity and diversity were presented to Corporate Executive groups and materials were provided to allow agencies to disseminate findings to all staff. My nominations of suitable persons were accepted for 12 out of 14 Chief Executive Officer positions, for which the Minister for Public Sector Management announced appointments. These processes have ensured strong and balanced fields and have contributed to the achievement of the sector-wide objective for women in the top tier of management.

Equity is a major element of compliance and while the Director of Equal Opportunity in Public Employment (DEOPE) maintains a separate statutory role and responsibilities, the DEOPE and I have integrated much of what we do in this area. Diversity Practitioner Forums were held on key areas within the Equity and Diversity Plan for the Public Sector Workforce. This included showcasing good practice in the employment of people with disabilities, an expert panel discussion on Indigenous employment issues, and opportunities and use of Diversity data in workforce planning. Other key projects completed include development work and testing a single Equity Index, which combines measures of representation and distribution for equity groups in the public sector.

Existing survey tools were also comprehensively revised and now include three new types of questions, which aim to identify employees' perceptions on issues such as work-life balance options, employees' awareness with the Public Interest Disclosure Act 2003 and how public sector employees are likely to respond when faced with an Ethical dilemma in the workplace. The addition of these new survey tools will have considerable benefits when measuring progress and quantifying improvements in the public sector in the coming years.

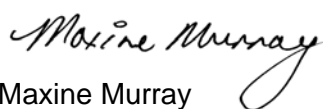
A review of the Public Sector Management (Examination and Review Procedures) Regulations 2001 was completed. These regulations prescribe procedures for the administration of the Public Sector Standard breach claims. The new regulations, effective from September 2005, will provide for the use of conciliation and a more streamlined process to resolve individual claims. During the year 120 breach of Standard claims were referred to the OPSSC for examination.

Government provided the Office with a \$569,000 increase in base funding as from 2005-06. This will enable the Office to provide improved legislative compliance programs, enhanced customer service delivery and proactive issue resolution.

Throughout the year, my Office has continually assessed the impact of events and sector reform initiatives and, in doing so, has identified a number of key issues that will influence activities over the coming years. Maintaining the credibility of an impartial public sector will form the foundation for revisions to the current Code of Ethics and a new Code of Ethics for Ministerial officers. Media coverage of the 2005 State election campaign indicated some confusion about the application of the principle of political impartiality. The Code of Ethics for public sector employees will be revised to clearly cover these situations as the community has a right to expect a public service that provides balanced, factual and impartial comment. While other public sector workers are required to be impartial, ministerial officers are not explicitly. A code for ministerial officers would recognise their role to provide a political dimension in their advice to ministers. This should assure the community, successive governments and employees that all parties are acting appropriately.

Other key issues include that of a rapidly ageing workforce and the increased recognition of the diversity imperative in service design and delivery. The trend to an increasingly competitive labour market at senior levels also has the potential to impact on the ability of the sector to attract a wide pool of highly competitive applicants for Chief Executive Officer positions.

In conclusion, I thank every one of my staff for contributing to the achievement of our organisational goals. I commend this report to you and trust that you will find its contents both interesting and informative.



Maxine Murray

COMMISSIONER FOR PUBLIC SECTOR STANDARDS

The Director's Overview

The achievement of equity is a core element of compliance with Public Sector Standards and with the Code of Ethics. This element of compliance is achieved through good human resource management practice, the development of inclusive cultures and a high standard of personal conduct amongst public sector officers. Ultimately, such outcomes will result in a public sector workforce that reflects all the talents and diversity of the community at all levels of public sector employment. These goals are at the heart of my statutory role as the Director of Equal Opportunity in Public Employment (DEOPE).



My Office operates with (and within) the Office of the Public Sector Standards Commissioner. This 'joined-up' style of operation is a key aspect of our work and allows a small highly skilled team to leverage off a number of initiatives and to participate in project partnerships with teams in the OPSSC and with other agencies.

One of the key partnerships brokered and supported by the Office is the CEO Diversity Forum. In the last year this group of committed CEOs has championed initiatives like the *Accessing Abilities* strategy to boost employment of people with a disability and has participated in innovative development work on new compliance indicators and measures. The deliberations of the Forum on key issues arising out of the Third Progress Report on the Equity and Diversity Plan for the Public Sector Workforce 2001-2005 will influence priorities beyond 2005.

The 2004-05 year has also seen some broadening of my statutory role. Changes to the *Equal Opportunity Act 1984* associated with the establishment of the State Administrative Tribunal have increased the investigative options available to the DEOPE in evaluating the effectiveness of public authorities in developing and implementing EEO management plans. These changes increase opportunities for cooperative work with the Commissioner for Public Sector Standards and have the potential to increase the scope of work being undertaken by staff in the Office in the area of performance reviews.

A handwritten signature in black ink that reads "Noela Taylor". The script is fluid and cursive, with the first letters of "Noela" and "Taylor" being capitalized and prominent.

Noela Taylor
DIRECTOR OF EQUAL OPPORTUNITY IN PUBLIC EMPLOYMENT

PERFORMANCE OVERVIEW 2004-05

- ❑ Continued the development of assistance material to raise awareness of the *Public Interest Disclosure Act 2003* and developed more streamline systems to monitor compliance with the Act.
- ❑ Completed development work and comprehensively tested a single Equity Index, which defines the representation and distribution of equity groups in the public reviews and inquiries in a selection of individual agencies to examine compliance.
- ❑ Undertook reviews, including climate surveys, in 12 public authorities and presented the findings on the extent of compliance with the Standards, ethical codes and equity and diversity. Revised existing survey tools to include new question on work-life balance and public interest disclosures.
- ❑ Developed regulations prescribing procedures for the administration of the Public Sector Standard breach claims and developed support material and conducted sessions to assist agencies to apply the new regulations.
- ❑ Finalised 120 breach of Standard claims referred to the OPSSC for examination, of which 5 were found to be breaches. Two of these were for recruitment; two were for grievance resolution and one for acting.
- ❑ The Commissioner's nominations were accepted for 12 out of 14 positions for which the Minister for Public Sector Management announced appointments.

Outlook for 2005-06

A number of key issues have been identified as potentially having an impact on the activities of the OPSSC in 2005-06 and beyond. These issues are outlined below and will be used to inform key strategies for the future.

Issues for 2005-06 and beyond

- In order to maintain the credibility of an impartial public sector there is a need to clarify in Ethical codes, the roles and responsibilities of public sector employees and Ministerial officers.
- There is a perception that accountability, transparency and reporting requirements are an administrative burden. Information about the benefits of open and accountable decision making needs to be communicated and supported by streamlined processes.
- The ageing workforce, changes in the labour market and increased recognition of the diversity imperative in service design and delivery are providing additional impetus to agencies working to reform human resource management practice.
- The trend to an increasingly competitive labour market at senior levels has the potential to impact on the ability of the sector to attract a wide pool of highly competitive applicants for Chief Executive Officer positions.
- 'Whistle blowing' has an increasing profile but there is a tendency to view public interest disclosure as a disclosure to the media rather than use of a confidential process under legislation, which offers protection for the person making a disclosure and procedural fairness for the subject of the disclosure.

Summary of Performance in 2004-2005

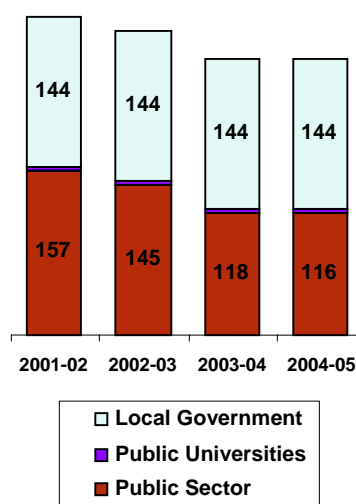
Accountability and Achievement Key Effectiveness Indicators	2003-04 Actual	2004-05 Budget	2004-05 Actual
Accountability			
Percentage of public authorities that have provided all reports as required by legislation ^{(a) (b)}	100%	100%	98%
Effectiveness Indicator 1			
Percentage of employees expressing a view who agree that there is compliance with the human resource management standards ^{(b) (c)}	60%	65%	60%
Effectiveness Indicator 2			
Improvement in the public sector composite equity index for women, people with disabilities, Indigenous Australians and people from culturally diverse backgrounds ^{(b) (d)}	77	78	78
Effectiveness Indicator 3			
Percentage of employees expressing a view who agree that there is compliance with the ethical codes ^{(b) (c)}	76%	80%	72%
Effectiveness Indicator 4			
Percentage of Commissioner's nominations for CEO positions accepted by Minister	100%	100%	100%

Note: For definitions for each Effectiveness Indicator refer to the section on Performance Indicators.

Public Authorities Assisted and Reported Upon

The number of public authorities assisted and reported upon by the Office of Public Sector Standards has declined in recent years due to amalgamations arising from machinery of government changes.

Year	Number of Public Authorities
2004-05	264
2003-04	266
2002-03	293
2001-02	305



Service 1 – Development and monitoring of human resource standards, ethical codes and public interest disclosure guidelines

Performance Measures	2004-05 Target	2004-05 Actual
Quantity Public authorities assisted and reported on	263	264
Quality Satisfaction with the standards and ethical code and assistance provided by the Office	80%	90%
Timeliness Breach of Standards claims handled within 4 weeks	80%	48%*
Cost Average cost per public authority PSM Act	\$19,653	\$18,485
PID Act	\$1,072	\$762

* The low 2004-05 Actual percentage is due to an increase in the number of complex breach claims for grievance resolution and resources were also limited.

Service 2 – EEO advice and evaluation of equity and diversity in public employment

Performance Measures	2004-05 Target	2004-05 Actual
Quantity Public authorities assisted and reported on for PSM Act	263	264
Quality Satisfaction of agency corporate executives with feedback provided in effectiveness review (evaluation)	80%	88%
Satisfaction of training participants	80%	84%
Timeliness Timeframes between request for assistance and response Timeframes between receipt of annual reports and distribution of analysis	3 workdays 10 weeks	0.5 work days 12 weeks
Cost Average cost per public authority	\$4,418	\$4,250

Service 3 – Chief Executive Officer Selection

Performance Measures	2004-05 Target	2004-05 Actual
Quantity Positions for which advice was provided to Minister	14	10
Quality Commissioner's acceptance that the processes conducted by the Office meet all the requirements of a merit process	100%	100%
Timeliness Average time to complete Commissioner's responsibilities	10 weeks	12 weeks
Cost Average cost per chief executive officer selection	\$20,571*	\$48,532

* Note: The Cost target does not include expenditure from the treasurer's advance.

WHAT DRIVES OUR BUSINESS

Statutory Roles

Within the Office of the Public Sector Standards Commissioner (OPSSC), the Commissioner and the Director of Equal Opportunity in Public Employment (the Director) have separate statutory roles. As both roles integrate merit and equity, it is logical that the offices of the Commissioner and the Director work closely together and they have been joined up since the establishment of the OPSSC as a department under Section 35 of the *Public Sector Management Act 1994* on 1 October 1994.

The Commissioner is the OPSSC's Chief Executive Officer (CEO), and employing authority for all staff and is the accountable authority for the organisation as an entity. The Director has dual accountability and reports independently to the Minister for Public Sector Management as required.

Commissioner for Public Sector Standards

The Commissioner for Public Sector Standards is responsible for establishing standards in human resource management and codes of ethics for the Western Australian public sector, assisting public sector bodies to comply, and monitoring and reporting to Ministers and Parliament on compliance. The Commissioner is independent and impartial and reports directly to the Parliament of Western Australia and not the Government of the day.

The *Public Sector Management Act 1994* sets out principles of merit and equity in human resource management and integrity in official conduct. Under the Act the Commissioner's role includes:

- Establishing WA public sector standards in human resource management and codes of ethics that are consistent with the principles.
- Assisting public sector bodies to develop codes of conduct and comply with the codes of ethics, codes of conduct and the standards.
- Monitoring and reporting to Ministers and Parliament on the extent of compliance by public sector bodies and employees with the principles, codes and standards.
- Recommending, administering and monitoring compliance with regulations that allow people to lodge a claim and seek relief when they believe they have been adversely affected by a breach of the human resource management standards.
- Independent selection and nomination of Chief Executive Officers for WA public sector agencies.

Public Sector bodies include public sector agencies, boards and committees.

The Commissioner also has responsibilities under the *Public Interest Disclosure Act 2003* to assist public authorities and public officers to comply with the Act and Code of Conduct and to monitor and report to Parliament on the extent of compliance.

The Office of the Public Sector Standards Commissioner also includes the Director of Equal Opportunity in Public Employment whose functions, under Part IX of that Act, include assisting public authorities to achieve equal employment opportunity (EEO) and evaluating and reporting on performance in EEO to the Minister.

Director of Equal Opportunity in Public Employment

The Director of Equal Opportunity in Public Employment is appointed by the Governor and reports directly to the Minister for Public Sector Management. The Director's statutory role is covered by Part IX of the *Equal Opportunity Act 1984*. The objectives of Part IX are to eliminate and ensure the absence of discrimination in employment in public authorities on all grounds covered by the Act and to promote equal employment opportunity for all persons in public authorities.

The functions of the Director and staff of the Office of Equal Employment Opportunity (EEO), a team of people within the OPSSC, are to:

- Advise and assist public authorities to develop EEO management plans and evaluate the effectiveness of those management plans in achieving the objectives of the Act; and
- Monitor and report to the Minister on the operation and effectiveness of management plans.

Public authorities include all public sector agencies, including utilities, public universities and local government authorities.

Our Regulatory Framework

During 2004-2005 the OPSSC further developed the strategic focus for the Office. The respective roles of the Commissioner and public bodies were clarified in a regulatory framework developed from widely recognised models of regulation and compliance.

Actions of the OPSSC

Independent Oversight

CEO selection
Examine, monitor, evaluate and report on compliance and diversity
Manage breach of standards claims

Public Authority Development

Assist public sector to build capacity to integrate HRM, ethical and diversity principles, standards and codes into decision making and practices

Codes, Standards & Objectives

Set and communicate ethical codes, HRM standards and sector diversity objectives

Actions of Public Authorities

Take Action on Non-Compliance

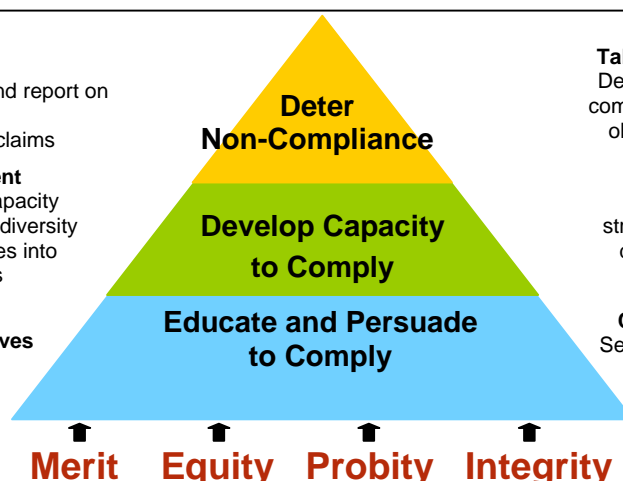
Deal effectively with issues of non-compliance. Take action if diversity objectives are not being achieved

Integration & Monitoring

Integrate standards, codes & strategies to achieve compliance & diversity. Monitor and implement continuous improvement

Commitment & Communication

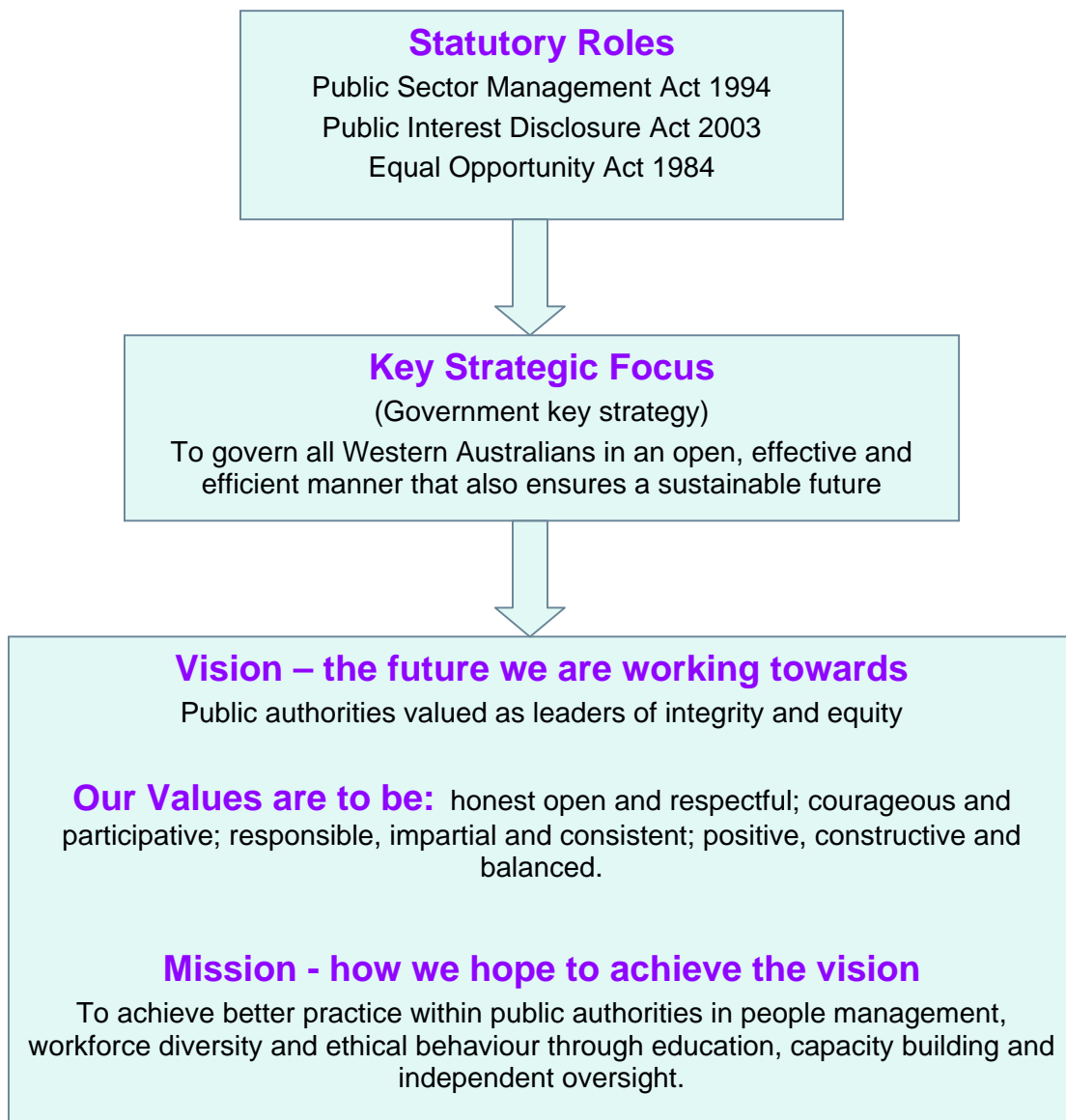
Set, communicate and demonstrate commitment to organisational values, codes of conduct and diversity objectives



Our Business Model

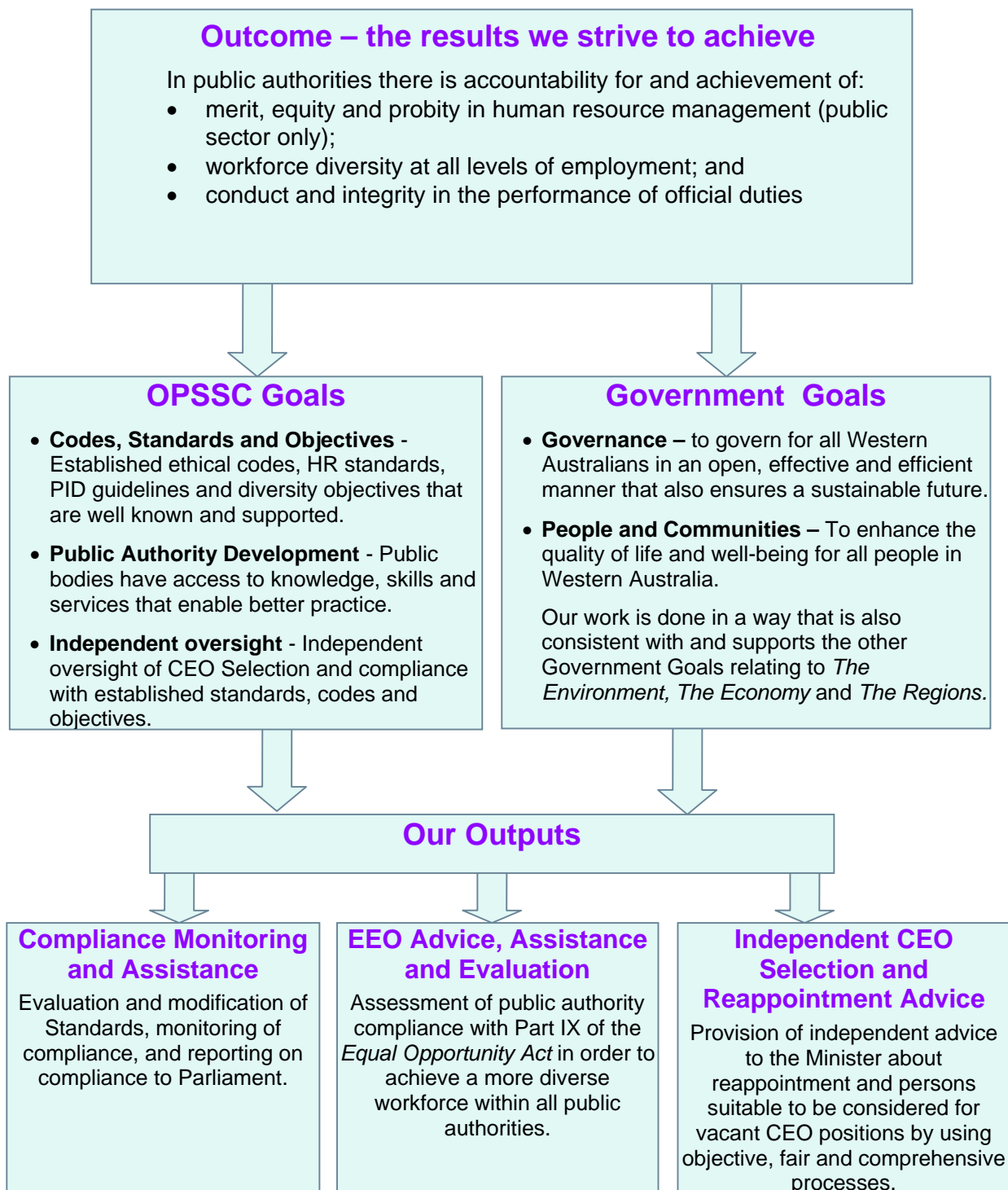
The OPSSC works within a strategic framework that integrates the OPSSC legislative framework and its *Vision with Values* with the government's key strategic focus and the vision and principles outlined in the strategic planning framework, *Better Planning: Better Services*. This approach provides alignment for agencies but also ensures that the Commissioner's role to provide independent and impartial information to Parliament is not compromised.

Our Vision, Values and Mission



Our Key Goals, Outputs and Outcomes

In achieving our mission, the OPSSC has identified the following outcome, goals and outputs as key areas of focus to support the statutory roles of the Commissioner and Director and enable public authorities to comply with their legislative obligations. The achievement of these goals will also be a major contribution to the Government's goals of *Governance* and *People and Communities* outlined in the Strategic Planning Framework, *Better Planning : Better Services*.



Key Goals and Strategies

Goals and strategies were identified to enable the statutory functions to be undertaken and support public authorities to enable them to meet their obligations. Changes were also made to our performance indicators for 2004-05 to make them consistent with this approach.

Goals	Strategies
Ethical Codes, HRM Standards and Diversity Objectives Established ethical codes, human resource management standards, public interest disclosure guidelines and sector equity and diversity objectives that are well known and widely supported.	Establish and review ethical codes; HRM Standards, procedures for relief for breaches of Standards; guidelines for PID; and sector equity and diversity plans and objectives. Transparent policies and practice statements. Provide exemptions based on the public interest. Persuade and educate public bodies to achieve merit, equity, probity and integrity. Develop frameworks and sector strategies for ethics, human resource management and workforce diversity.
Public Authority Development Public bodies have access to knowledge, skills and services that enable better practice in people management, workforce diversity, ethical behaviour and managing public interest disclosures.	Provide a customised and integrated advice and assistance service to agencies that promotes better practice. Facilitate access to information and resources for public authorities. Develop strategic alliances and work in partnership with the public sector and others.
Independent Oversight of Public Authorities Independent oversight of CEO Selection and compliance with established standards for ethical behaviour, people management, workforce diversity and managing public interest disclosures.	Monitor, evaluate and report on the extent of compliance and non-compliance through outcomes based measures and other information; and sector, agency and thematic reviews. Manage the process for claims for relief from breaches of Standards and investigation of public interest disclosures. Independent selection and nomination of CEOs to serve in the public interest.

How we Operate

The OPSSC is conscious of its parliamentary role and monitoring function but seeks, where possible to act in partnership with clients and stakeholders. The Office recognises that the successful achievement of strategic objectives is dependent upon building and maintaining strong partnerships with other public sector agencies. Our resources are focussed on extensive consultation with agencies to provide assistance with and monitoring of compliance with Standards, ethical codes and public interest disclosures and the development and evaluation of effective EEO management plans. To achieve this and our outputs, the OPSSC operates under four main functional groupings.

Roles and Responsibilities

Ethics and Human Resources <ul style="list-style-type: none"> • Ethics and HR Assistance • Compliance Monitoring 	<ul style="list-style-type: none"> • Assistance for public sector agencies in ethics, human resources and public interest disclosures; • Agency audits and sector-wide thematic reviews to monitor compliance; and • Managing the process to provide relief for breaches.
Equity and Evaluation <ul style="list-style-type: none"> • Equity and Diversity Assistance • Evaluation and Reporting 	<ul style="list-style-type: none"> • Assistance to public authorities in developing and implementing EEO management plans; • Promotion of sector-wide EEO strategies; and • Evaluation and reporting on workforce diversity and the extent of compliance with the principles, Standards and ethical codes.
Policy and Strategic Services <ul style="list-style-type: none"> • CEO Selection • Policy and Strategic Services • Public Interest Disclosures 	<ul style="list-style-type: none"> • Independent advice on CEO selection and reappointment; • Policy development on key and emerging issues; and • Handling Public Interest Disclosure matters.
Corporate Services	<ul style="list-style-type: none"> • Internal corporate services to support the other divisions and the corporate governance requirements of the Office.

Staff Profile

As at 30 June 2005, 32 employees were working in the Office. The majority were employed as full time permanent employees, with seven employed on a permanent part-time basis. Contract staff are employed on an “as needs basis” to backfill staff on maternity leave, or unexpected vacancies, to provide short-term expertise, or to assist in peak workload periods. To provide opportunities for personal and professional development, and to ensure that the Office has a keen appreciation of the business of line agencies, approval has been granted for a number of staff to participate in secondments to other agencies.

Our People

The Office is committed to providing a workforce characterised by best practice in leadership, diversity management, ethics and integrity. These factors form the basis of the Office's corporate values in its Code of Conduct. Two internal key goals and associated strategies relate to our workforce and our systems.

Goals	Strategies
Workforce An effective and diverse workforce committed to excellence	<ul style="list-style-type: none"> • Develop effective teams. • Undertake annual and ongoing performance management to provide staff with clear goals and feedback linked to organisational goals. • Train and develop staff through team and individual development plans. • Encourage and support continuous improvement and innovation. • Develop staff commitment to the goals of the organisation through participation in planning and meaningful measures of performance. • Develop a diverse staff profile where staff value difference.
Systems Quality systems and processes that support the achievement of the goals	<ul style="list-style-type: none"> • Provide effective planning and corporate governance, along with appropriate resources. • Develop effective databases that support access to strategic information. • Develop comprehensive corporate services policies, mapped procedures and delegations. • Ensure that records and other information systems are reliable and accessible. • Develop networks to enable efficient and effective information sharing.

Diversity in the Workplace

The Office recognises the importance of a diverse workforce in providing a service to our diverse WA community. The Office has current Disability Service and Equal Opportunity Management plans to ensure a diverse workforce and equitable treatment of staff and clients. In addition, the Office has policies on equal opportunity and harassment, and is committed to upholding them to ensure that all forms of direct and indirect discrimination are eliminated. Currently there is a good level of cultural diversity and a balance of men and women in senior positions.

Performance Management

A consistent performance management process is used across the Office and a monitoring system ensures all employees have performance management in place. There has been ongoing enhancement of the performance management system to better integrate the OPSSC *Vision with Values* for all staff.

Flexible Work Practices

Staff are employed under the Public Service General Agreement 2004. Under this agreement and OPSSC policies, flexible work options, part-time and job sharing arrangements are widely accepted as part of a family friendly approach to working conditions. Advertisements for all positions include information that flexible work arrangements including part-time employment may be negotiated. Many staff take up these flexible work options and staff in all areas and at all levels have access to and use part-time or 48 in 52 arrangements.

Grievance Management and Public Interest Disclosures

The Office has developed and implemented Grievance Management and Harassment Policies, details of which are available to all staff at induction and through the Office Intranet.

Public Interest Disclosures

A Public Interest Disclosure Officer was appointed in 2003-04 to handle internal disclosures made by staff under the *Public Interest Disclosure Act 2003*. In 2004-05 there were no formal grievances or public interest disclosures about the activities of the OPSSC.

Employee Health, Safety and Welfare

The Office complies with the requirement of the *Occupational Health, Safety and Welfare Act 1984*. Regular training is held in emergency procedures, including building evacuation. The Office regularly updates emergency contact information posters that include information from other colocated agencies. A first aid kit is available and key staff have been trained in the application of first aid techniques. Regular training in emergency procedures, including building evacuation, first aid and office health training is regularly undertaken. There were no compensation claims processed during the year.

Security and safety features including policy and procedures are continually reassessed in the areas of public access including the interview rooms of the shared reception area. A collocation OHS&W Committee has commenced. Public access to our Office premises and security in interview rooms, have been designed to maximise the safety and security of employees.

Two employee assistance program providers continue to be available to staff to access confidential counselling services including their immediate family, if required.

Corporate Services

Corporate Services Bureau Support

Corporate Services Bureau support continues to be provided by the Department of the Premier and Cabinet. The services provided include:

- Financial Management – account payments, financial reporting, chart maintenance and asset management.
- Human Resource Management – salary payments, policy development, leave processing, classification determination and recruitment services.
- Information Technology - permanent connection to the Internet.

Accommodation

The Office is collocated with the Parliamentary Commissioner for Administrative Investigations (the Ombudsman), the Office of Health Review, and the Freedom of Information Commissioner.

The corporate services section of the Office is shared with the State Ombudsman's Office. The shared arrangements of corporate services also provide reception and other services for the Office of Health Review, the Commonwealth Ombudsman and the Information Commissioner under a memorandum of understanding, which was developed and implemented.

Information Management and Technology

The Information Technology Section continues to provide support to the Office's information technology environment, upgrading essential network servers to improve system performance and service internal clients. The network integration project which will allow the sharing of information, emails and resources between this Office and the State Ombudsman's office commenced successful implementation during the year and will be completed by the end of 2006.

The Office has engaged a Consultant to assist with the development and documentation of an IT Strategic Plan for both the Office and the State Ombudsman to map out the future requirements and direction of both offices and identify future budget implications.

A financial management database is currently being developed for the office to automate the payment of accounts and to enable easier tracking and reporting on accounts payable and receivable.

Supply Function

The annual review of the Supply Business Management Plan and the Supply Procedures Plan was undertaken in 2004-05 ensuring compliance with government policies.

Risk Management

Workshops in risk management at strategic levels were conducted by RiskCover in October 2004. A risk management database has been provided by RiskCover to analyse and record potential risks to the Office.

Industrial Relations

No industrial disputes were recorded during the year.

GOVERNANCE AND REPORTING

The Office's commitment to high standards of corporate governance is important and necessary from two perspectives. Firstly, good corporate governance leads to good management practices, which in turn leads to improved employee morale. Secondly, the Office recognises that external agencies expect that the Office will be an exemplar of good corporate governance. Hence, living up to those expectations means that agencies will view the Office with higher levels of integrity and confidence.

Vision with Values

The OPSSC *Vision with Values* provides the Office with an external vision about what we are trying to achieve and an internal vision about how we will work together. It also identifies our values and how we can support each other to achieve our vision. The visions and values are shown below and are currently being integrated into all aspects of how we work.

External Vision:	Public Authorities valued as leaders of integrity and equity.
Internal Vision:	Inspired people working and learning together.
Values:	Honest, open and respectful; Courageous and participative; Responsible, impartial and consistent; Positive, constructive and balanced.

Corporate Structure

The OPSSC Corporate Executive consist of the five corporate leaders of the organisation:

- Commissioner
- Executive Director, Equity and Evaluation
- Executive Director, Ethics and Human Resources
- Director, Chief Executive Officer Selection and
- Manager Corporate Services

Corporate Executive meets monthly to ensure responsible stewardship and accountability. It is responsible for:

- Setting and monitoring strategic directions
- Monitoring the Office's performance, progress against targets and resource usage
- Overseeing an effective control environment and
- Achieving accountability and compliance with Government requirements

Because of the statutory role of the Director of Equal Employment in Public Employment, there are clear areas in which this role is directly accountable to the Minister. In such cases, it would be inappropriate for the Corporate Executive of an independent Office to

be approving or endorsing government strategies and policies. Knowing where these boundaries lie requires a clear delineation of the respective roles and responsibilities of each statutory office. As such, the Commissioner is required to act independently and reports to Parliament; and the Director is part of Executive Government and reports directly to the Minister for Public Sector Management.

Corporate Executive Team

Maxine Murray, BA, Dip Ed Commissioner for Public Sector Standards

Maxine Murray brings to her position a wealth of experience as a regulator within various government agencies. Maxine has been involved extensively in the fields of merit, equity and compliance with legislation, as well as research, policy development, evaluation, change management and working across-government to achieve outcomes. These agencies include the Office of Women's Interests, Equal Opportunity Commission, Department of Occupational Health, Safety and Welfare and the Department of State Services. Immediately prior to her appointment as Commissioner in May 2002, Maxine occupied the position of Director of Equal Employment in Public Employment in Western Australia for eight years.



Noela Taylor, BA (Hons), M Phil
Director of Equal Opportunity in Public Employment and
Executive Director, Equity and Evaluation

Noela Taylor has successfully worked as a regulator within disability access areas and compliance with legislation, as well as strategic policy, planning and service delivery across a range of government agencies. These agencies include the Department of Consumer and Employment Protection, Disability Services Commission, Office of Women's Policy, Department of Land Administration and the Department of Local Government.



Mary White, B Sc, Dip Ed, Dip Public Policy
Acting Executive Director Ethics and Human Resources

Mary White has worked as a regulator, in strategic development and in project and operational teams in a range of areas including human resource management, equal employment opportunity, corporate services, strategic and workforce planning and evaluation. She has worked within the Public Sector for almost twenty years in service delivery and central government agencies including the Department of Education and Training, Main Roads and the Equal Opportunity Commission.

Brian Boylen
Director, Chief Executive Officer Selection

Brian Boylen has more than 25 years of invaluable experience working in a variety of central agencies. Such experience includes substantial exposure to the intricacies of machinery of government, legislation and the operation of numerous government agencies, as well as industrial relations and human resource management. Brian has been involved with changes to the structure of the public sector and has conducted functional reviews of agencies. He has also provided administrative support and policy advice to statutory office holders, chief executive officers and Ministers.



Paul O'Connor, BB
Manager Corporate Services

Paul O'Connor has extensive experience in large and small agencies in the areas of Corporate Services, Internal Audit, and Program Management across the non-government sector. Paul has worked in the public service for 27 years in agencies that include the Department of Treasury and Finance, Department of Employment and Training, Department of the Premier and Cabinet, the Office of Youth Affairs and Ministerial Offices. Paul's position is a shared resource between the Office of the Public Sector Standards Commissioner and the Ombudsman's Office.

Corporate Management

Code of Conduct

As the agency responsible for ensuring compliance with the Public Sector Code of Ethics across the public sector, the Office aspires to lead by example. The Office Code of Conduct is an integral part of the service standards adhered to by employees. The Code of Conduct is linked to the Public Sector Code of Ethics, is available to all staff on the Office intranet and is part of the induction of all new staff.

Our Code of Conduct also provides guidance for our conduct in the way we work and treat each other. It is consistent with our *Vision with Values* but includes more detail such as:

- Encouraging a mutually supportive and respectful environment;
- Treating all public authorities and other customers consistently and impartially and without influence by bias or partisan interests; and
- Providing customers with prompt and courteous service that is equitable and non-discriminatory.

The Code is regularly reviewed and was revised in 2004-05 to include our Vision and Values and public interest disclosure requirements.

Staff Declarations

All staff have signed a declaration to confirm that they are aware of their obligations under the Code of Ethics and Code of Conduct and policies in relation to Equal Employment Opportunity, access to the Office facilities and physical assets and acceptable use of the Internet.

Risk Management

Training was provided to senior staff in the use of a risk management database to analyse and record potential risks to the Office through Risk Cover. This system will be used in conjunction with the Office risk management framework providing clear guidelines for identifying, analysing, evaluating and treating risks across the Office.

Internal Audit

An internal auditor was contracted to carry out an examination of the Office's activities during 2004-05 and is due to report by September 2005.

Policies

The Office reviewed and revised a number of HR policies including a new performance management process to incorporate the Office's *Vision with Values*.

Shared Corporate Services

The Office of the Commissioner for Public Sector Standards is colocated with the Parliamentary Commissioner for Administrative Investigations (the Ombudsman), the Office of Health Review, and the Freedom of Information Commissioner.

This Office and the Ombudsman's Office continue to share support structures and services.

Compliance Reports

People and Communities

Disability Service Plan

The Office is committed to providing optimum access and service to people with disabilities, their families and carers. The current Disability Service Plan has five key outcomes:

- **Existing services are adapted to ensure they meet the needs of people with disabilities** - The services provided by the Office have been adapted to reduce barriers to people with disabilities through better access and the availability of information in various formats on request.
- **Access to buildings and facilities is improved** - The Disability Services Commission guidelines on access were used to design the layout of the offices and the facilities such as electrical outlets in the new accommodation fit-out in 2003. This means the accommodation and facilities meet the needs of people with disabilities as far as practicable. In 2004-05 new electronic doors were installed in the office. There were no formal complaints received during the year about provision of appropriate facilities or access to services by the OPSSC.
- **Information about services is provided in formats that meet the communication requirements of people with disabilities** - The Office strives to publish all documents in plain English. Publications are available in alternative formats on request and this information is provided in all new publications. Information published on the Office website can be viewed and printed in alternative formats.
- **Advice and services are delivered by staff that are aware of and understand the needs of people with disabilities** - In-house training sessions have raised the awareness of staff in relation to their obligations in dealing with people with disabilities.
- **Opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision-making processes** - Any members of staff with a disability have an equal opportunity to participate in consultations, decision making, grievance process and any other consultative process within the Office. In addition consultation is held with people with disabilities, their advocates and disability recruitment agencies and service providers when developing policies relating to the employment of people with disabilities in the OPSSC and across the sector.

Cultural Diversity and Language Service Outcomes

The Office works with a diverse range of customers and recognises the language and cultural diversity this presents.

As part of meeting its Language Services Outcomes and reflective of its commitment to valuing diversity, the Office disseminates information on the provision of language services to its customers as required. The Office will produce its material in various languages and provide interpreters and telephone access for people with hearing or speech impairment where appropriate.

Youth Outcomes

Corporate Executive has given a firm commitment to youth outcomes within the public sector. Following the successful completion of a Certificate III in Business (Office

Administration), the trainee engaged by the Office under the WA Public Sector Clerical Traineeship Program was retained by Corporate Services and secured a position as Level 2 Customer Service Officer.

As part of an ongoing commitment to youth outcomes, the Office engaged another trainee during 2004-05 and will assist their Completion of a Certificate II in Business (Office Administration).

The Economy

The financial statements include information relating to this goal.

The Environment

Waste Paper Recycling

The Office has a strong commitment to paper recycling and makes proper use of recycling providers and actively encourages staff to recycle paper. Waste paper recycling practices for confidential papers are incorporated in the Office through the use of security shredding bins. In 2004-05 twenty bins of 240-litre capacity were used for recycled paper.

Energy Smart Government Program

In accordance with the Energy Smart Government policy, the Office has committed to achieve a 12% reduction in non-transport related energy use by 2006-07. This target was achieved in the first year and total reduction over three years averages at 32%.

Energy Smart Government program	Baseline Data	2003-04 Actuals	2004-05 Actuals	% Variation against baseline
Energy Consumption (GJ)	288	237	186	-35.4%
Energy Cost (\$)	12,252	9,924	9,521	-22.3%
Greenhouse Gas Emissions (tonnes of CO ₂)	74	60	47	-36.5%
Performance indicators MJ/m ²	428	211	291	-32.0%
MJ/Occupancy	9,277	7,643	5,995	-35.4%

Note: Significant reductions in 2004-05 are due to a revised method for dividing usage and emissions between the collocated agencies.

The following energy saving initiatives have been undertaken:

- Review of existing lighting in the reception resulted in the installation of additional fluorescent lighting to provide better and more efficient lighting than the down-lights initially used.

- Staff are encouraged to switch off lights when they are not required or as they leave the Office.
- Automatic lights were installed in kitchen areas to reduce usage.

The Regions

Regional Development Policy

The Office's role encompasses the whole public sector, ranging from the metropolitan through to regional areas. As such, staff are often required to travel to regional areas to deliver climate survey presentations, particularly in the large multi-sited agencies of Health and Education and Training. Videoconferencing is also used to communicate key information. The state-wide nature of our service delivery often means that we need to be flexible and responsive to the needs of regional areas, and as such, our products are often placed on the website and/or CD-ROM, etc. This ensures regional agencies are able to access the same type and quality of information as their metropolitan counterparts.

Governance

Equal Employment Opportunity Outcomes

The OPSSC Equal Opportunity Management Plan takes into account the objectives in the Government's *Equity and Diversity Plan 2001-2005*. Currently the representation of Indigenous staff is 3%. People with a disability make up 6% of staff. Youth make up 6% of staff. People from culturally diverse backgrounds make up 18% of staff. Women make up more than half of the positions across the management tiers. Achievement of diversity objectives exceeds levels established in both the Management Plan and Government Objectives outlined in the Equity and Diversity Plan for the Public Sector Workforce.

The Office has continued to practice equal employment opportunity in the workplace and to develop staff awareness. The policy review committee considers EEO implications when developing and reviewing policies. The Office has continued its policy of providing employment opportunities in the workplace and to develop staff awareness. Policies for flexible working arrangements are well used with a number of staff taking up flexible working conditions, including part-time employment, job sharing, working from home and paid parental leave.

Evaluations

There have not been any detailed evaluations of the functions of the OPSSC undertaken during 2004-2005. However, as was the case in 2003-2004, the results of the survey of human resource managers (see Service 1 quality indicator) and the feedback from corporate executives and training participants shown in the quality indicator for Service 2, are both used to assess and improve the assistance and evaluation services provided to public authorities.

Information Statement FOI (Act)

The Office has an Information Statement as required under the *Freedom of Information Act 1992*. This statement is updated each year and is available to the public in electronic or hard copy formats upon request.

The Office dealt with five applications under the Freedom of Information Act during the 2004-05 reporting year. The average time for processing the requests was 17 days.

Record Keeping Plans

An Office Record Keeping Plan (the Plan), as required by the *State Records Act 2000*, was developed and submitted to the State Records Commission on 18 November 2004. A review was conducted to improve record keeping systems efficiency and to implement strategies to comply with the requirements of the Plan. Significant progress has been made in terms of our compliance with the Standards under the *State Records Act 2000*, particularly in the areas of developing a staff training program, revising our Record Keeping manual and naming conventions, implementing a retention and disposal program and managing electronic records. The review improved onsite storage facilities and has assisted in the development of Performance Indicators to measure our commitment to improving record keeping practices.

Compliance with the Public Sector Standards and Ethical Codes

Human Resource Management Standards

OPSSC policies relating to human resource management have all been revised this year to enable compliance with the Standards and include checks of compliance where appropriate. Managers and staff are required to comply with these policies and they are accessible to all staff. Examples of monitoring provisions include:

- For Recruitment, Selection and Appointment, there is an individual review of each process is undertaken prior to the final decision to ensure compliance with the Standard.
- A review process is in place to ensure that for acting and secondments there are no inadvertent extensions that result in long term opportunities without appropriate expressions of interest and where appropriate a merit based process is used.
- A monitoring process is in place to ensure there are current performance management processes in place for all employees.

There have been no breach of Standards claims lodged. Internal checks against policies have shown compliance with the Standards or processes is achieved before the final decision. This indicates a high level of compliance with the Standards.

Ethical Codes

The Office complies with the Public Sector Code of Ethics and has its own Code of Conduct. The Code of Conduct addresses issues including personal behaviour, appropriate use of equipment and resources, occupational safety and health, conflicts of interest, communication, grievances/complaints, reporting a breach of the code, improper conduct/misconduct, monitoring, and the ethics committee.

The Code of Ethics is displayed around the Office and the OPSSC Code of Conduct is available to all staff on the intranet. All staff have also signed a declaration that they have read and understand the Code of Conduct and that they will comply accordingly. In addition internal audits are conducted to check there is appropriate use of public resources in financial management, purchasing goods and engaging contractors.

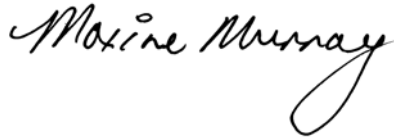
No internal grievances were lodged relating to non-compliance with the ethical codes and no complaints were made to external authorities. Audits have found no areas of non-compliance.

Public Interest Disclosures

The Commissioner has appointed a Public Interest Disclosure Officer to handle public interest disclosures relating to the activities of the OPSSC. Guidelines have been developed based on the guidelines produced by the OPSSC for use by agencies. There have been no internal public interest disclosures made about the OPSSC's activities. (The OPSSC has received public interest disclosures about activities in other agencies in its role as a "named proper authority".)

Advertising and Sponsorship Expenditure (Electoral Act)

The Office has not engaged any companies or organisations relating to advertising, market research, polling, direct mail or media advertising that require disclosure under s.175ZE of the *Electoral Act 1907*.

A handwritten signature in black ink, reading "Maxine Murray". The signature is written in a cursive style with a large, looping 'M' and 'y'.

Ms Maxine Murray
COMMISSIONER FOR PUBLIC SECTOR STANDARDS

30 AUGUST 2005

REPORT ON OPERATIONS

Service 1 – Development and monitoring of human resource standards, ethical codes and public interest disclosure guidelines

This service involves development of standards and codes, assisting public authorities to comply and provide independent oversight to monitor and report on compliance to Parliament and Ministers for the *Public Sector Management Act 1994 (PSM)* and the *Public Interest Disclosure Act 2003 (PID)*.

Total Cost of Service: \$2,268,000

Staff: 15.6 FTEs

Focus of Activities

The Compliance Monitoring and Assistance Program enables the Commissioner to fulfil her monitoring and assistance roles under the *Public Sector Management Act 1994* (PSM Act) and the *Public Interest Disclosure Act 2003* (PID Act). The Commissioner's main functions are to:

- Establish public sector standards setting out minimum standards of merit, equity and probity and establish ethical codes under the PSM Act and a code and guidelines under the PID Act;
- Monitor compliance with the public sector standards, code of ethics, codes of conduct and the general principles of human resource management and official conduct (the principles) under the PSM Act. Monitoring and compliance with the PID Act and the code are also required;
- Report on the extent of compliance in the public sector with the principles, Standards and ethical codes under the PSM Act and the extent of compliance by public authorities with the PID Act and Code; and
- Provide a consultancy service to assist public authorities develop their capacity to operate with merit, equity and probity in their human resource management and act with integrity in their official conduct and handling of public interest disclosures.

Contribution to the Government Strategic Planning Framework

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

- Whole-of-government approaches to planning, decision-making and resource allocation.
- Greater community confidence in the processes and actions of government agencies through effective independent oversight and reporting.
- Reduced "red tape" and compliance costs.
- Reduced incidence of corruption in all its forms.

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

- An efficient labour market that utilises a fair but flexible system of employment.

Major Achievements for 2004-05

- Developed and launched consultancy material to support agencies in their implementation of the ethics framework;
- Continued the development of assistance material to raise awareness of the Public Interest Disclosure Act 2003 and developed systems to monitor compliance with the PID Act;
- Identified customer needs and implemented interim changes to the Office's website to enhance agencies' capacity to access electronic support materials;
- Developed regulations prescribing procedures for the administration of the Public Sector Standard breach claims and developed support material and conducted sessions to assist agencies to apply the new regulations; and
- Commenced a thematic review of the "Acting" Standard across the public sector that examines compliance with the standard and undertook reviews and inquiries in a selection of individual agencies to examine compliance.

Major Initiatives for 2005-06

- Implement amended breach of standard regulations, and evaluate and refine support material and assistance to agencies and claimants;
- Conduct a thematic review on grievances and acting in a range of public sector agencies and report to Parliament;
- Implement a new website to enhance access to assistance materials, interactive services and compliance information in line with the needs of agencies and other stakeholders;
- Develop a code of ethics for ministerial staff and provide guidelines for public sector employees to clarify respective roles and accountabilities;
- Develop interactive online-tools to assist managers build and sustain compliance with the Recruitment, Selection and Appointment standard; and
- Launch new assistance material to raise awareness and confidence in the Public Interest Disclosure Act 2003.

Report on Activities under the PSM Act

Establishing Codes, Standards and Regulations

Establishment of the Public Sector Management (Breaches of Public Sector Standards) Regulations 2005

The new *Public Sector Management (Breaches of Public Sector Standards) Regulations 2005 (the 2005 regulations)* are designed to provide more efficient and flexible regulatory options for claimants and agencies. The new process includes provision for conciliation to occur and if that is not possible a review and determination by the Commissioner. The Commissioner also recommends relief if a breach is found. The Commissioner can not enforce relief but may report to Ministers or Parliament on breaches and failure to provide relief.

The new regulations represent the culmination of extensive consultation with relevant stakeholders, including chief executive officers, human resource practitioners,

independent examiners and reviewers, breach claimants, unions, and taking into account the accumulated knowledge and experience of all users of the system over nine years of operation. Examples of the major issues which were identified in the consultation process included:

- The current Public Sector Management (Examination and Review Procedures) Regulations 2001 (the regulations) are not clear about the level of relief in respect of a breach of a Standard as provided under s.97 of the Public Sector Management Act 1994;
- There is no provision in the 2001 regulations to ensure intended relief is actioned in the event of a breach;
- There is a lack of discretion for the Commissioner in the 2001 regulatory process; and
- The 2001 regulatory process is considered too lengthy because it includes internal resolution, examination, review and relief. The process requires streamlining and greater flexibility in a number of areas, including discretion and timelines.

The 2005 regulations seek to facilitate greater efficiency, credibility and improved people management. The combination of a more streamlined process and the use of conciliation will provide a more effective forum for resolving individual claims in an expeditious manner. These new regulations are scheduled to replace the 2001 Regulations in September 2005.

Code of Ethics for Ministerial Officers

Work has commenced on a consultation paper for a new Code of Ethics for Ministerial Officers. The Western Australian Code of Ethics does not adequately address the political dimension of work done by ministerial officers, and there is a need for a new Code that applies specifically to this group.

Political neutrality

Impartiality and “acting in the public interest” is a cornerstone of public service and is incorporated in the current Code of Ethics. Political neutrality is inherent in the concept of impartiality giving the public confidence that public officers are acting for the common good and not in a partisan manner.

The code of ethics applies to numerous categories of officers throughout the public sector and questions arise about the application of impartiality, particularly during election periods. Work has commenced to develop guidance statements to further assist employees in the application of impartiality in their day to day functions. The statements will be issued in draft form to facilitate discussion with employees and other stakeholders with a view to releasing the final guidance statements in the 2005-06 financial year.

Public Authority Development

Integrity Coordinating Group

The Office initiated the creation of the Integrity Coordinating Group (ICG) comprising the Commissioner for Public Sector Standards, the Auditor General, the Corruption and Crime Commissioner and the WA Ombudsman. The ICG was announced to the sector on 3 June 2005.

The purpose of the ICG is to foster greater policy coherence and operational coordination between the core integrity bodies with the aim of strengthening integrity across the sector. To this end, the ICG will identify a number of key integrity themes each year as suitable

for collaboration and will work together to deliver tools that will assist public sector bodies in promoting integrity.

This year, the ICG produced a brochure *Promoting and Strengthening Integrity in WA Public Bodies* which is available on the ICG website (<http://www.wa.gov.au/opssc/icg/index.htm>), and has commenced work on developing a common understanding of key integrity terms, a conflict of interest toolkit, and examining mechanisms for reporting improper conduct to ICG members to ensure that those who report understand the processes involved.

Building and Sustaining Integrity

In September 2004, the OPPSC launched the *Building and Sustaining Integrity – Integrating Ethics into Everyday Business* strategy. This strategy is designed to assist agencies to integrate ethical behaviour into their everyday business by encouraging all employees to consider what they can do, on a daily basis, to improve the ethical culture within their organisation.

The strategy represents the culmination of a considerable consultation and research process, ranging from workshops in February 2004 (which were attended by representatives from a wide cross section of the public sector), through to comparative assessments of similar approaches in national and international jurisdictions. During the implementation phase, presentations were provided to corporate executive groups and senior managers in several agencies. Additional assistance material and presentations will continue to be provided as the strategy is promoted across the public sector.

Senior Integrity Officer Network

The Senior Integrity Officer Network was established in November 2004 and includes representatives from all public sector agencies. The network provides a contact point for OPSSC to those senior officers in agencies who are able to influence the embedding of ethics within their organisations.

A Senior Integrity Officer Network Forum has been scheduled for July 2005. Regular forums will continue to be planned for the future, with the purpose of distributing integrity-related assistance material and providing agencies with practical methods to strengthen integrity within their workplaces.

Senior Human Resource Managers Forum

The Senior Human Resources Managers Forum was established in November 2004 and consists of representatives from all public sector agencies. The first forum was held in December 2004 and covered the following topics:

- Results of the Commissioner's compliance and monitoring activities included in the Commissioner's Annual Compliance Report;
- Performance Management in the Public Sector;
- Implications of agencies movement to the Shared Service Centers; and
- Review of the Breach Regulations.

As a result of the feedback received from the attendees, the Office will devote resources in 2005-2006 to the development of a range of tools (eg on-line recruitment system) to assist line managers.

Future forums will continue to provide a contact point for the Office as an agency to communicate and disseminate information on Human Resource Management and ethical codes.

Research Project on Job Satisfaction and Workers' Compensation

The Office provided data from climate surveys to the RiskCover Division of the Insurance Commission of Western Australia to undertake a research project in October 2004, to explore the correlation between employee dissatisfaction (based on several climate survey questions relating to HR and ethics) and the incidence of workers' compensation claims.

The results of the research project revealed that where the climate survey data indicated low job satisfaction, there was a corresponding increase in the incidences of workers' compensation claims.

The results were presented at a Diversity Forum conducted by the Office of Equal Opportunity in March 2005 and will be presented to Senior HR Managers at the Forum in July 2005, as a means of alerting them to the potential benefits of addressing such issues.

Advisory and Consultancy Service

The Office's approach for developing a customised assistance program, integrating ethics and human resource management initiatives, continues to be refined. At this stage, the Office provides assistance and consultancy services to agencies by telephone, email and face-to-face presentations in the areas of principles of merit, equity and probity, the Human Resource Management Standards and the code of ethics and codes of conduct. The Commissioner, Executive Directors and staff have also conducted agency visits and delivered presentations in a variety of public forums. Examples of such presentations included presentations to the Motor Vehicles Industry Board in November 2004 on building and sustaining integrity in the Australian Public Service in April 2005 on Administrative Reviews.

Independent Oversight

Under the Public Sector Management Act 1994, the Commissioner is responsible for the independent monitoring and oversight of principles, standards and ethical codes in the public sector. In carrying out this role, a range of monitoring mechanisms are used to assess the extent of compliance by public sector bodies and employees, including:

- Outcomes Based Measures;
- Matters referred by the public, employees and members of Parliament
- Scheduled Agency reviews (including climate surveys);
- Sector-wide Reviews;
- Yearly reports on compliance from all public sectors agencies; and
- Special inquiries and reviews in agencies to examine specific issues.

Under the Public Sector Management Act 1994, the Commissioner also investigates alleged breaches of public sector standards in human resource management. In 2004-05, these breach claims were dealt with under the *Public Sector Management (Examination and Review Procedures) Regulations 2001*. From September 2005 onwards, these will be dealt with under the new *Public Sector Management (Breach of Public Sector Standards) Regulations 2005*. This is the only complaint-taking role the Commissioner has that provides for individual redress. The outcome of breach claims are also used as part of the Commissioner's monitoring activities.

A Compliance Report is produced on an annual basis for tabling in Parliament, which contains specific analysis and outcomes of compliance across the public sector based on these monitoring activities. This report was tabled on 18 November 2004.

Matters referred to the Commissioner

The Office has continued to refine its monitoring processes and analyse information referred from members of the public, employees, and members of Parliament, as well as reports from agencies and surveys of employees to establish the extent of compliance and related issues and trends. This information is used to decide on priority items for future monitoring activities.

Information from public sector employees and members of the public about alleged non-compliance are received via telephone, meetings, email and in writing. In 2004-05, there were 32 matters referred to the Commissioner. This information is valuable as it offers an insight into workplace issues and trends across the public sector. Where appropriate, allegations or information that do not fall within the jurisdiction of the Commissioner are referred to other relevant public sector bodies.

Under the Public Sector Management Act 1994, the Commissioner does not have the power to direct agencies to resolve an individual's concerns in a specific way. Individual complaints/referrals made to the Commissioner's Office are used as a source of information to decide/assess the priority and nature of the monitoring activities undertaken.

In some cases, the Commissioner will undertake an inquiry or review as a source of information for her assessment of the extent of compliance across the sector.

Outcome Based Measures

Sector-wide measures of human resource management and ethical outcomes are derived from aggregated information obtained through climate surveys and HR and Ethics Yearly Reports from all agencies and other sources. For example, demographic profiles of diversity groups are used to provide measures of equity outcomes.

The Ethics Measurement project, which commenced in 2004 under the auspices of the Chief Executive Officer Measuring Compliance Sub-Group aims to develop HR, Ethics and Equity Measurement and Survey Instruments which build upon existing monitoring strategies currently used by the Office.

The Climate Survey has been modified to improve measures of ethics and HR and an external consulting group was engaged to assist in the development of specific ethical scenarios for use as a tool for ethical measures in agencies. Pilots commenced this year and the products will be available in 2005-06.

Once finalised, the new ethical measures will provide the Office and all public sector agencies with an additional set of compliance monitoring and diagnostic tools, to ensure that human resource management standards and ethical principles and codes are complied with, thereby making them an integral and valued part of their business.

Agency Climate Surveys and Presentations

The current public sector survey program is designed around a five yearly survey interval for public sector agencies. On average, a total of 10 to 15 public sector authorities are surveyed per year, depending on the size of agencies and the complexity of their

structure. The program involves conducting a climate survey of staff perceptions about ethics, human resource management, equal employment opportunity and public interest disclosure information, in their agency. The results of this survey and other information relating to the agency (such as their demographic data on equity and their history of breaches) are analysed and the agency is benchmarked against the sector and other similar agencies. Feedback is provided to corporate executives via joint presentations by the Director of Equal Opportunity in Public Employment and the Executive Director of Ethics and Human Resources.

The purpose of these agency surveys is to:

- Assist agencies to achieve better practice in ethics, human resource management and equity; and
- Provide the Commissioner with a database that enables monitoring of the extent of compliance across the sector as a whole and identifies changes over time.

During 2004-05, a total of 10 public sector agencies were surveyed (this excludes the 2 local government agencies that were surveyed under Service 2). Further analysis of the results will be contained in the Commissioner's Annual Compliance Report for 2005.

Assistance

The Office advised on selection processes, on the functional specification of Human Resources Management Information Systems and on work flow matters associated with complaints handling.

Sector Reviews

Performance Management Standard Review

The Office's report on the extent of public sector compliance with the Performance Management Standard was tabled in Parliament in October 2004.

The objectives of the review were to:

- Review the practice of performance management and its role in the public sector;
- Assess the extent of compliance with the Performance Management Standard; and
- Assess the appropriateness and relevance of the Performance Management Standard.

The report concluded that there was a general commitment to effective employee performance management at an agency level. However, it also found that the public sector faces significant challenges with respect to low participation rates and gaining employee trust in, and acceptance of performance management; and ensuring performance management activities are practical.

Review of Grievance Resolution Standards and Acting Standard

The Office has noted an increasing trend in breach claims being lodged, particularly in relation to the Grievance Resolution Standard. This has highlighted the need for a review on how grievances are handled across the public sector.

Similarly, several agency reviews have revealed problems in how Acting is handled, in particular failure to call expressions of interest for long-term acting. The Office had initially scheduled the reviews into grievances and acting for 2004-05, however, was unable to

fulfil this commitment due to the need to allocate resources to the development and introduction of the new Breach of Standards Regulations and other specific reviews and inquiries. These reviews will be made a priority in 2005-06.

Other Specific Reviews and Inquiries

The Office has five specific inquiries or reviews currently in progress. These are nearing completion and will be reported in the Compliance Report in 2005.

Department of Health – Royal Street Divisions

The Office finalised a major review of the extent of compliance by the Royal Street Divisions of the Department of Health, in particular the Office of Aboriginal Health, with the public sector standards in human resource management, the ethical codes and the ethical principles. This was tabled in Parliament in August 2004. The review found that processes relating to some HR standards were sound, well documented and generally demonstrated a reasonable to high level of compliance. Nevertheless, for other standards, notably acting and performance management, a number of issues of non-compliance were highlighted and brought to the attention of the Health Department for further action. This will be followed up in August 2005.

Breach of Standards Claims

In 2004-05, the Commissioner has continued to deal with claims that agencies have breached Public Sector Standards, where such claims are lodged in accordance with *the Public Sector Management (Examination and Review Procedures) Regulations 2001*. Under these Regulations, if the process used to deal with an issue is inconsistent with the relevant public sector standard, the Commissioner may determine that the particular standard has been breached. The agency is then required to advise the Commissioner whether any action was taken and how this action, if any, will remedy the breach.

During 2004-2005, 131 breach of standard claims were handled by the Office for examination. This is a slight decrease from 2003-04, where 134 claims were handled.

The majority of breach claims lodged with the Office (82%) related to the Recruitment, Selection and Appointment Standard. The application of selection processes and the quality of information available to support selection decisions and the provision of feedback to applicants are still areas of concern where agencies can improve their level of compliance. This trend is consistent with previous years.

With respect to the Grievance Resolution Standard, a total of 13 claims (10%) were lodged, which represents an increasing trend to lodge claims in this area. By way of comparison, only 2 claims were lodged against the Grievance Resolution Standard during the previous financial year. The Office believes that the complex and lengthy processes involved in resolving grievances, has contributed to claims not being resolved as quickly as in previous years.

The remaining claims were evenly spread over the Temporary Deployment, Performance Management, Secondment and Transfer Standards.

Of the claims referred to OPSSC, 120 were finalised. Of these 120 claims, 69% were dismissed as having no substance and 27% were referred for a full review of the facts and circumstances. None were withdrawn or lodged outside of the prescribed timeframe. There were five breaches determined - two against the Recruitment, Selection and

Appointment Standard, two against the Grievance Standard and one against the Temporary Deployment (Acting) Standard.

Report on Activities under the PID Act

Disclosures

Under section 5(3)(h) of the PID Act, the Commissioner can receive disclosures about matters relating to the internal operations of this Office. The Commissioner did not receive any disclosures of this nature in 2004-05.

Under section 5(3)(g) of the PID Act, the Commissioner can receive disclosures of public interest information where that information relates to a public officer. The Commissioner did receive disclosures of this nature in 2004-05, and these will be reported in the Commissioner's annual compliance report with the other results from across the sector.

Monitoring Compliance with the PID Act

In 2004-05, this Office monitored compliance with the PID Act through:

Public Authority Self Reporting	PID Register submitted by those authorities that received public interest disclosures; Designation of PID Officer in accordance with section 23(1)(a); Preparation and publishing of internal PID procedures in accordance with section 23(1)(a)(e) and 23(2).
Commissioner's Oversight	Allegations of non-compliance; Monitoring of inquiries; Monitoring and analysis of information provided by agencies.

The PID Register, which is used by public authorities to report to the Commissioner on the disclosures they have received, has been enhanced for 2004-05.

Several questions relating to the PID Act have been included in the new climate survey which was piloted this year. The answers to these questions will provide useful information about awareness of and confidence in the PID Act, and will assist with the development of appropriate support materials by this Office for use by public bodies.

Assistance

This Office has continued to provide a consultancy service to public authorities on the Public Interest Disclosure Act 2003 (the PID Act). In 2004-05, this Office dealt with 143 inquiries, which is less than 2003-04 (250 inquiries) but is to be expected given that the PID Act is now in its second year of operation. Many of these inquiries are complex and required extensive assistance from this Office. The majority of inquiries have been from PID officers in public authorities seeking advice on how to deal with disclosures made under the PID Act. Many of these inquiries have continued to highlight issues with respect to the application of the PID Act in practice. The PID Act is scheduled for review by the Minister for Public Sector Management after 1 July 2006, and the Commissioner will be recommending to the Minister that the review occur forthwith.

In the meantime, this Office has developed a communications strategy based on market research conducted in the previous financial year, and will continue to develop tools to

assist those who wish to make disclosures and for PID officers to use to raise awareness of the PID Act within their organisations.

This year, the Office has written to a large number of government bodies that have been established for a public purpose under a written law, or established by the Governor or a Minister, about their obligations under the PID Act. This Office will continue its campaign to raise awareness of the PID Act with this category of public authorities, and other public bodies that may not be aware of their obligations under the PID Act.

A PID Coordination Committee has met on several occasions to discuss issues with respect to the implementation of the PID Act. This Committee comprises representatives from the 'proper authorities' named in the PID Act, and local government representatives.

This Office is an industry partner, together with the Corruption and Crime Commission, the WA Ombudsman, and our counterpart offices in most other Australian jurisdictions, in the *Whistling While They Work: Enhancing the Theory and Practice of Internal Witness Management in Public Sector Organisations*. This project is being coordinated by Griffith University in Queensland and involves a number of universities from around Australia, including Edith Cowan University in WA. This is a three year study that will examine public interest disclosure regimes in most Australian jurisdictions and strategies used for managing disclosures at the workplace. This Office is contributing cash and in-kind support to the project, the outcomes of which should assist in the implementation of the PID Act in Western Australia.

Service 2 – EEO advice and evaluation of equity and diversity in public employment

This service involves advising and assisting public authorities to achieve their equal employment opportunities and diversity objectives and evaluate and report on progress in meeting their responsibilities under Part IX of the Equal Opportunity Act 1984.

Total Cost of Service: \$1,076,000

Staff: 8.4 FTEs

Focus of Activities

The Director of Equal Opportunity in Public Employment assists public authorities to achieve improved equity and diversity in their employment outcomes. The Vision Statement for this output is:

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

Contribution to the Government Strategic Planning Framework

People and Communities - To enhance the quality of life and wellbeing of all people throughout Western Australia.

- A positive difference to the lives of people with disabilities, their families and carers (10).
- A society where Indigenous Australians have greater economic and social opportunities and the capacity to determine their own lives (13).
- A society free from racism which facilitates the empowerment of members of all communities as full and equal members of the Australian community, enjoying the rights and duties of a shared citizenship (14).
- A society that recognises the varying contribution of its diverse population and is able to respond effectively to the needs of its diverse population (15).

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

- Whole-of-government approaches to planning, decision-making and resource allocation (3).
- Greater community confidence in the processes and actions of government agencies through effective independent oversight and reporting (8).

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

- An efficient labour market that utilises a fair but flexible system of employment (3).
- Plentiful and diversified employment opportunities for Indigenous people to support Indigenous economic growth (4).
- A workforce that reflects the State's diverse population (5).

The main activities within the Program are to:

- Coordinate and evaluate sector-wide strategies and initiatives such as the *Equity and Diversity Plan 2001-2005*
- Provide a consultancy service to assist public authorities to focus on self-assessment and develop their capacity to plan and implement EEO and diversity strategies suited to their business needs.
- Develop resources to support agency diversity and EEO management planning and promote the use of such resources in public employment.
- Operate an evaluation and reporting program to enable government and public authorities to monitor and improve progress in EEO and diversity.

Major Achievements for 2004-05

- Completed development of, and comprehensively tested, a single Equity Index for use in public sector reporting on the representation and distribution of equity groups in the public sector workforce.
- Launched 'Accessing Abilities' guidelines and associated resource sheets and conducted an implementation workshop to assist public authorities increase the representation of people with disabilities employed in the public sector.
- Provided advice on the integration of diversity improvement strategies for the employment of people from culturally and linguistically diverse backgrounds within the whole-of-government Substantive Equality Program.
- Initiated the development of forward planning objectives for the Equity and Diversity Plan beyond 2005 and revised the agency consultancy model to support agency achievement of targets through implementation of existing strategies for women in management, Indigenous employment and the improved representation of people with disabilities.
- Developed and provided targeted support strategies for local government authorities to improve the number of women in management in the local government workforce.
- Undertook comprehensive website and online services needs analysis to identify priorities associated with supporting public authority planning and monitoring.
- Conducted professional development workshops to support agency use of the *Insights: Strategies for Success* CD-Rom.

Major Initiatives for 2005-06

- Develop and communicate a sector-wide framework and related measures to promote the achievement of whole-of-government diversity objectives for the public sector workforce in 2005 and beyond.
- Develop resources to promote and support initiatives aimed at increasing the representation of women in senior management across the public sector.

-
- Develop customized equal employment opportunity management planning support resources to address business needs and operating environments of local government authorities.
 - Implement a new Office of Equal Employment Opportunity (OEEO) website and related online communication services to provide for improved information and resources, enhanced search functionality and new interactive features.
 - Support an improvement in agency response rates, data accuracy and in the application of workforce demographic data in integrated strategic human resources planning as well as workforce evaluation and diversity analysis.
 - Provide comparative analysis in the use of existing measures and the Single Equity Index in evaluating the progress of the public sector towards objectives in the Equity and Diversity Plan for the public sector workforce.

Report on Activities

Operating Context

This output parallels the statutory role and functions of the Director of Equal Opportunity in Public Employment, which are covered in Part IX (Division 2) of the *Equal Opportunity Act 1984* (the Act). The Director of Equal Opportunity in Public Employment advises and assists Western Australian public authorities in meeting their obligations under the Act.

The Office assists the Director in reporting to the Minister for Public Sector Management on the progress of public authorities in meeting these obligations.

Beyond the statutory responsibilities described under the Equal Opportunity Act, the Director is also the Executive Director, Equity and Evaluation within the structure of the Office of the Public Sector Standards Commissioner and works in partnership with the Commissioner and Corporate Executive to ensure strong alignment in areas of strategic human resource advice across the sector and in the promotion of equity considerations relevant to the development and promotion of standards of human resource management, Public Interest Disclosure matters, CEO recruitment and ethical codes.

Sector Plans and Strategies

Equity and Diversity Plan

The *Equity and Diversity Plan for the Public Sector Workforce 2001-2005* (EDP) was launched by the Premier in February 2002. It is part of the Government's commitment to developing an equitable and diverse public sector workforce that is representative of the Western Australian community at all levels of employment and enables employees to combine work and family responsibilities. The Office reports annually to the Premier on progress across the public sector and this year provided progress reports to public sector agencies on the achievement of the Equity and Diversity Plan.

The EDP sets interim and long-term objectives for priority areas, namely:

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

Group Specific Strategies

People with a Disability

In 2004-2005 the Director and Office implemented a key strategy support resource to assist public authorities address the under-representation of people with a disability in the Public Sector Workforce. The *Accessing Abilities* guidelines and resource sheets, with a information session and mini trade show, gave CEOs and Human Resource professionals a chance to examine the services of, and network with, a range of service providers and employment support agencies.

Indigenous Australians

The OEEC followed the development of the *Insights: Strategies for Success* CD-ROM in 2003-04 with a professional development product to support agency implementation of this resource. Agencies are now customising this workshop product for use in developing the diversity management skills of their own staff.

Women in management

The OEEC co-produced a strategy for improving the representation of women in management positions in local government. This work culminated in the production of the publication *Gender Diversity and the Selection of CEOs and Senior Staff in Local Governments*.

The Third progress report on Equity and Diversity Plan for the Public Sector Workforce identified a lack of progress against sector wide objectives for women in senior management. A priority for 2005-06 will be the development of appropriate strategies and resources aimed at increasing the representation of women in senior management across the public sector.

Public Authority Development

Advice and Assistance with EEO Management Plans

Equal Employment Opportunity Management Plans, required under Part IX of the *Equal Opportunity Act 1984*, provide the framework for monitoring advancements. Chief Executive Officers of public authorities (State government agencies, local governments and public universities) must prepare and implement an Equal Employment Opportunity Management Plan to achieve the objectives of the Act. They must forward a copy of the plan to the Director of Equal Opportunity in Public Employment, and report to the Director each year on the implementation of Equal Employment Opportunity in their organisation.

Local Governments have their own unique equity and diversity employment issues. New customised equal employment opportunity management planning support resources will be developed to address the business needs and operating environments experienced by local government authorities.

Support on data collection and analysis

New guidelines and sample survey instruments were finalised and distributed that provide for revised indicators of cultural diversity and disability status of employees in public authorities. The new survey instrument was developed in consultation with a reference group and in parallel with work being done by the Australian Bureau of Statistics. The outcome of this process is an approach that will provide for better quality and more comparable data across the sector.

In order to optimise the data available for monitoring and evaluating progress against sector wide plans the OEEC will work to support improved agency data accuracy, response rates, and consult on the application of workforce demographic data in planning and performance evaluation.

Information Forums

A series of three Diversity Practitioner forums were conducted on key areas within the Equity and Diversity Plan for the Public Sector Workforce 2001-2005. These forums each attracted between 50 and 75 participants. Areas covered were:

- Disability Employment. This forum showcased good practice in the employment of people with a disability and covered 'special measures' provisions within the Equal Opportunity Act.
- Indigenous Employment Issues. This forum included a presentation by a previous Premier's Award winner (CALM) and expert panel discussion.
- The Management of Human Resource data in Public Sector Workforce Planning. This forum highlighted opportunities for making better use of Diversity data in workforce planning at the agency level.

Independent Oversight

Evaluation of Effectiveness

Part IX of the *Equal Opportunity Act* requires the Director to evaluate the effectiveness of public authority management plans in achieving the objectives of the Act to eliminate discrimination and promote equal opportunity in public employment. The principal strategies used to evaluate the effectiveness of EEO management plans are:

- Assessment of changes to the public sector demographic profile through analysis of data collected from public authority yearly reports.
- Benchmarking against sector-wide objectives and against other organisations within each sector.
- Assessment of how people feel about equity in their organisation through EEO Climate Surveys. The surveys seek to collate the perceptions of employees about the cultural climate in their organization. They also provide for feedback on the survey results through presentations to members of the organisation's corporate executive.
- Monitoring of EEO management plans submitted by authorities and provision of feedback.
- Monitoring of cases related to public employment handled by the Commissioner for Equal Opportunity.

Developing and testing of new measures

Through the year development work on a single Equity Index was completed for possible use in Public Sector reporting on the representation and distribution of equity groups in the public sector workforce. The single measure is a composite measure that makes use of existing measures on workforce participation and distribution. The availability of a single measure offers the opportunity to track overall improvements in Diversity with a single measure in an agency, a Ministerial portfolio or across the whole sector. The measure will be used for the first time, in conjunction with established measures, to provide a comparative analysis of agencies across Ministerial portfolios.

New data collection systems

A major initiative for 2005-06 will be to make reporting tools and survey instruments available as an online resource and service. This will increase reporting and monitoring efficiency and reduce costs associated with document design and printing.

Monitoring progress towards Government objectives

The Director received EEO Yearly Reports on demographic data from all public sector authorities:

- 118 public sector agencies as at 30 June 2004 (published in September 2004);
- 144 local governments as at 30 June 2004 (published in December 2004); and
- 4 public universities as at 31 March 2004 (published in July 2004).

Through the year the OEE0 implemented a web-based package that has allowed public sector agencies to forward data for their annual reports via the web. This package allows agencies the opportunity to make calculations and generate charts to get immediate feedback on key measures and trends in their agency.

The data collected through this process facilitates the analysis of employment trends for women and men, Indigenous Australians, people from culturally diverse backgrounds, people with disabilities, and for different age groups. Reports analysing the data were provided to all public sector agencies with more than 100 employees (the *How Does Your Agency Compare?* reports).

Full details of progress can be found in the Annual Report 2004-05 of the Director of Equal Opportunity in Public Employment to be forwarded to the Minister on 30 September 2005 for tabling in Parliament and available after that on the website (www.oeeo.wa.gov.au).

Climate Surveys and Presentations

A climate survey covering human resource management, ethics and aspects of equal opportunity compliance is deployed in larger agencies on average once every five years. The survey asks employees a range of questions on their personal attitude to their agency's human resource management and equity climate. Feedback on the results of the Climate Survey, together with analysis of the agency's demographic data, EEO management plan and any agency-specific issues are provided to the senior executive of each agency surveyed.

Twelve climate surveys were conducted in 2004-2005, including Esperance and Kimberley Education and Training; Great Southern Country Health; Midwest and Murchison Country Health; Disability Services Commission; Department of Indigenous Affairs; Insurance Commission of WA; Department of Racing, Gaming and Liquor; Sports Centre Trust; Office of Energy; City of Bassendean and the City of Cockburn. Six other agencies were scheduled to conduct a climate survey, however, for scheduling reasons they were carried over to the 2005-06 financial year. Feedback from participants at presentations showed 88% were satisfied with the reviews, demonstrating the usefulness of this strategy.

Progress Report on the Equity and Diversity Plan

The results of the Third Progress Report on the Equity and Diversity Plan (EDP) were circulated to Public Sector CEOs in conjunction with the release of Premier's Circular number (2005-04) in May 2005. The progress summary for this report is shown below:

Priority Area		Progress
Women	Women in Management Tier 1	✓✓✓✓✓
	Women in Management Tier 2	✓
	Women in Management Tier 3	✓
	Women in the Senior Executive Service	✓
	Women – Equity Index	✓✓✓
Workforce Diversity	Indigenous Australians %	✓✓✓
	Indigenous Australians – Equity Index	✓✓
	Culturally Diverse Backgrounds %	✓✓✓✓✓
	Culturally Diverse Backgrounds – Equity Index	✓✓✓✓✓
	People with Disabilities %	✓
	People with Disabilities – Equity Index	✓✓✓
	Youth %	✓✓✓✓

Legend

✓✓✓✓✓	Objective met or exceeded
✓✓✓✓	Considerable progress
✓✓✓	Steady progress
✓✓	Minimal progress
✓	Work needed

Equal Opportunity Tribunal Matters

Prior to amendments to the *Equal Opportunity Act 1984*, the Director might sometimes be a party to matters before the Tribunal, or be involved in receiving reports from agencies as directed by the Tribunal. In 2004-2005 the Director was not involved in any matters relating to Tribunal findings.

New Investigative Powers

During 2004-05 amendments to the *Equal Opportunity Act 1984* resulted in a broadening of options available to the Director of Equal Opportunity in Public Employment in monitoring and evaluating the development and implementation of EEO Management plans. Sections 147 through 153 of the Act now provide for the conduct of investigations by the Director where the Director is dissatisfied with the preparation or implementation of a management plan. In the 2004-05 period no such investigations were undertaken.

Cross Government Initiatives

In addition to the advise and assist role that the Director has in relation to EEO Management Plans, the Director contributed to a range of Whole-of-Government initiatives and reform matters. Key areas of activity were:

- The Office was a program partner in the development of the Framework for Substantive Equality and provided input into guidelines and support resources.
- The establishment of the Office of Shared Services. The OEEO advised on selection processes, on the functional specification of Human Resources Management Information Systems and on work flow matters associated with complaints handling.
- The Office contributed to the functional specification, configuration and implementation of on-line recruitment infrastructure, policies and procedures.

Service 3 – Independent CEO Selection and Reappointment Advice

This service involves the provision of independent advice to the Minister about reappointment and persons suitable for vacant Chief Executive Officer positions by using fair and comprehensive processes.

Total Cost of Service: \$485,318

Staff: 1.7 FTEs

Focus of Activities

The Chief Executive Officer Selection program enables the Commissioner to provide independent advice to the Minister for Public Sector Management about the suitability of persons for appointment following examination of applicants in a merit-based process. The current process managed by the Office typically includes the following components:

- Public advertising of vacant positions.
- Appointment of an executive recruitment consultant to conduct executive searches, assist in the examination of applicants and provide administrative support and advice to applicants and selection panel members.
- Establishing independent selection panels of three to four persons who provide a variety of perspectives to the examination of applicants.
- Examination of applicants using a variety of selection techniques to determine their relative merits.
- Provision of independent reports by the Commissioner to the Minister for Public Sector Management about persons most suitable for vacant CEO positions based on the outcome of merit assessments of applicants.

The Commissioner also provides independent advice to the Minister for Public Sector Management about the appropriateness or otherwise of proposals to reappoint existing chief executive officers. In providing this advice, the Commissioner takes into account information on the performance of a chief executive officer and other matters that may be relevant to that particular case.

Contribution to the Government Strategic Planning Framework

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

- Greater community confidence in the processes and actions of government agencies through effective independent oversight and reporting (8).

Major Achievements For 2004-05

- The Commissioner's nominations were accepted for 12 out of the 14 positions for which the Minister for Public Sector Management announced appointments.
- Research into alternative selection techniques to enhance the CEO selection process was completed by 30 June 2005.

Major Initiatives For 2005-06

- Conduct pilot of alternative selection techniques and implement substantive changes to the selection techniques for all future CEO positions.

Report on Activities

Process Improvements

A public tender was released in April 2005 to engage executive recruitment firms to assist with executive search and selection processing. This tender process was being finalised at the year's end and new consultants will be appointed early next financial year. This will continue the process of positions being handled more consistently and efficiently as the panellists can be appointed as soon as the position is forwarded.

Chief Executive Officer Selection and Reappointment

The Commissioner provided nominations of suitable persons for 10 chief executive officer positions during 2004-05. Decisions were made by the Minister for 14 positions during the year including six where nominations had been made the previous year. In 12 of the 14 cases, the Commissioner's nominations of persons suitable for appointment were accepted. In one case the Minister asked for another nomination as the suitable person withdrew their application prior to an appointment being made. This subsequent nomination was accepted and the person was appointed to the position. In the other case the Minister decided not to proceed to fill the position at that time. Of the 12 appointments announced, three (25%) were women.

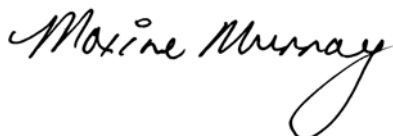
The average time taken, per position, to provide the Commissioner's nomination was 12 weeks, an improvement of four weeks over the previous year.

Financial Statements for the year ended 30 June 2005

Certification of Financial Statements

The accompanying financial statements of the Office of the Public Sector Standards Commissioner have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2005 and the financial position as at 30 June 2005.

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



Maxine Murray
COMMISSIONER FOR
PUBLIC SECTOR STANDARDS



Glenn McAullay
PRINCIPAL ACCOUNTING
OFFICER

14 August 2005

Statement of Financial Performance

	Notes	2004/2005 \$	2003/2004 \$
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	4	1,864,458	2,044,413
Superannuation		190,368	194,385
Other staffing costs		97,705	75,178
Carrying amount of non-current assets disposed of	5	0	318
Travelling expenses		9,931	6,849
Administration expenses	6	1,038,653	987,256
Accommodation expenses		237,794	199,163
Depreciation expense	7	143,807	109,034
Capital user charge	8	93,480	50,080
Total cost of services		<u>3,676,196</u>	<u>3,666,676</u>
Revenues from ordinary activities			
User charges and fees	9	352,810	238,811
Proceeds from disposal of non-current assets	5	0	4,163
Total revenues from ordinary activities		<u>352,810</u>	<u>242,974</u>
NET COST OF SERVICES		<u>3,323,386</u>	<u>3,423,702</u>
REVENUES FROM STATE GOVERNMENT			
Service appropriations	10	3,374,000	3,327,000
Resources received free of charge	10	105,255	90,472
Liabilities assumed by the Treasurer	10	3,529	2,360
Total revenues from State Government		<u>3,482,784</u>	<u>3,419,832</u>
Change in net assets		159,398	(3,870)
Total changes in equity other than those resulting from transactions with WA State Government as owners		<u>159,398</u>	<u>(3,870)</u>

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

Statement of Financial Position

	Notes	2004/2005 \$	2003/2004 \$
Current Assets			
Cash assets	11	298,543	291,281
Restricted cash assets	11	219,841	172,470
Prepayments	12	24,358	25,218
Receivables	13	147,879	138,526
Amounts receivable for services	14	164,000	110,000
Total Current Assets		<u>854,621</u>	<u>737,495</u>
Non-Current Assets			
Restricted cash assets	11	0	0
Amounts receivable for services	14	515,000	427,000
Furniture and fittings	15	923	1,280
Computer equipment	15	128,142	116,273
Office equipment	15	110,758	124,302
Office establishment	15	326,618	351,324
Total Non-Current Assets		<u>1,081,441</u>	<u>1,020,179</u>
TOTAL ASSETS		<u><u>1,936,062</u></u>	<u><u>1,757,674</u></u>
Current Liabilities			
Payables	16	96,084	55,561
Other liabilities	17	0	64,010
Provisions	18	315,528	288,475
Amounts due to the Treasurer	19	300,000	300,000
Total Current Liabilities		<u>711,612</u>	<u>708,046</u>
Non-Current Liabilities			
Provisions	18	197,114	231,690
Total Non-Current Liabilities		<u>197,114</u>	<u>231,690</u>
Total Liabilities		<u>908,726</u>	<u>939,736</u>
Equity	20		
Contributed equity		581,000	531,000
Accumulated surplus		446,336	286,938
Total Equity		<u>1,027,336</u>	<u>817,938</u>
TOTAL LIABILITIES AND EQUITY		<u><u>1,936,062</u></u>	<u><u>1,757,674</u></u>

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

Statement of Cash Flows

	Notes	2004/2005 \$	2003/2004 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations			
Recurrent appropriations		2,858,000	2,809,000
Special Acts		264,000	232,000
Capital contributions		50,000	0
Holding account drawdowns		110,000	108,000
Net cash provided by State Government		<u>3,282,000</u>	<u>3,149,000</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Salaries		(1,922,009)	(2,030,834)
Other staffing costs		(98,107)	(75,393)
Superannuation		(186,531)	(194,933)
Travelling expenses		(9,931)	(6,849)
Administration expenses		(890,271)	(881,796)
Accommodation expenses		(237,952)	(226,957)
Capital user charge		(93,480)	(50,080)
GST payments on purchases		(134,246)	(168,347)
Receipts			
User charges and fees		371,601	161,670
GST receipts on sales		37,625	15,970
GST receipts from taxation authority	21	74,669	153,998
Net cash used in operating activities	22	<u>(3,088,632)</u>	<u>(3,303,551)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(138,735)	(478,045)
Proceeds from sale of non-current physical assets		0	4,163
Net cash used in investing activities		<u>(138,735)</u>	<u>(473,882)</u>
Net increase/(decrease) in cash held		54,633	(628,433)
Cash assets at the beginning of the financial year		463,751	1,092,184
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	11	<u>518,384</u>	<u>463,751</u>

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

Schedule of Expenses and Revenues by Service

	Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines	Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines	Advice and Evaluation of Equity and Diversity in Public Employment	Advice and Evaluation of Equity and Diversity in Public Employment	Independent Chief Executive Officer Selection and Reappointment Advice	Independent Chief Executive Officer Selection and Reappointment Advice	Total
	2004/2005 \$	2003/2004 \$	2004/2005 \$	2003/2004 \$	2004/2005 \$	2003/2004 \$	2004/2005 \$
COST OF SERVICES							
Expenses from ordinary activities							
Employee expenses	1,124,884	1,367,443	601,053	446,235	138,521	230,735	1,864,458
Superannuation	110,079	103,782	66,852	66,682	13,437	23,921	190,368
Other staffing costs	56,420	48,436	31,061	22,545	10,224	4,197	97,705
Carrying amount of non-current assets disposed of	0	0	0	0	0	318	0
Travelling expenses	6,327	5,954	2,567	189	1,037	706	9,931
Administration expenses	484,585	451,625	263,179	207,864	290,889	327,767	1,038,653
Accommodation expenses	144,650	117,506	78,472	65,724	14,672	15,933	237,794
Depreciation expenses	84,878	69,111	48,000	32,001	10,929	7,922	143,807
Capital user charge	57,023	29,547	30,848	16,526	5,609	4,007	93,480
Total cost of services	2,068,846	2,193,404	1,122,032	857,766	485,318	615,506	3,676,196
Revenues from ordinary activities							
User charges and fees	12,927	4,051	15,668	15,619	324,215	219,141	352,810
Proceeds from disposal of non-current assets	0	4,163	0	0	0	0	0
Total revenues from ordinary activities	12,927	8,214	15,668	15,619	324,215	219,141	352,810
NET COST OF SERVICES	2,055,919	2,185,190	1,106,364	842,147	161,103	396,365	3,323,386
REVENUES FROM STATE GOVERNMENT							
Service appropriations	2,125,011	2,222,417	1,008,037	927,087	240,952	177,496	3,374,000
Resources received free of charge	64,206	53,378	34,734	29,856	6,315	7,238	105,255
Liabilities assumed by the Treasurer	2,152	1,392	1,165	779	212	189	3,529
Total Revenues from State Government	2,191,369	2,277,187	1,043,936	957,722	247,479	184,923	3,482,784
CHANGE IN NET ASSETS	135,450	91,997	(62,428)	115,575	86,376	(211,442)	159,398

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

Summary of Consolidated Fund Appropriations and Revenue Estimates

	2004/2005 Estimate \$	2004/2005 Actual \$	Variance \$	2004/2005 Actual \$	2003/2004 Actual \$	Variance \$
DELIVERY OF SERVICES						
Item 8 Net amount appropriated to deliver services	3,052,000	3,110,000	(58,000)	3,110,000	3,095,000	15,000
Section 25A transfer	0	0	0	0	0	0
Amount authorised by other Statutes						
- Salaries and Allowances Act 1975	232,000	264,000	(32,000)	264,000	232,000	32,000
Total appropriations provided to deliver services	3,284,000	3,374,000	(90,000)	3,374,000	3,327,000	47,000
CAPITAL						
Capital Contribution	0	50,000	(50,000)	50,000	0	50,000
GRAND TOTAL	3,284,000	3,424,000	(140,000)	3,424,000	3,327,000	97,000
Details Of Expenses by Service						
Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines	2,175,000	2,068,846	106,154	2,068,846	2,193,404	(124,558)
Advice and Evaluation of Equity and Diversity in Public Employment	1,162,000	1,122,032	39,968	1,122,032	857,766	264,266
Independent Chief Executive Officer Selection and Reappointment Advice	288,000	485,318	(197,318)	485,318	615,506	(130,188)
Total cost of services	3,625,000	3,676,196	(51,196)	3,676,196	3,666,676	9,520
Less:						
Total revenues from ordinary activities	(96,000)	(352,810)	256,810	(352,810)	(242,974)	(109,836)
Net cost of services	3,529,000	3,323,386	205,614	3,323,386	3,423,702	(100,316)
Adjustment (i)	(245,000)	50,614	(295,614)	50,614	(96,702)	147,316
Total appropriations provided to deliver services	3,284,000	3,374,000	(90,000)	3,374,000	3,327,000	47,000
Capital Expenditure						
Purchase of non current physical assets	110,000	117,069	(7,069)	117,069	456,439	(339,370)
Adjustments for other funding sources	(110,000)	(67,069)	(42,931)	(67,069)	(456,439)	389,370
Capital Contribution (appropriation)	0	50,000	(50,000)	50,000	0	50,000

(i) Adjustments are related to movements in cash balances and other accrual items such as receivables, payables and superannuation.

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

This Summary provides the basis for the Explanatory Statement information requirements of TI 945. Refer note 24

Notes Accompanying Financial Statements

1. Office Mission and Funding

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

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

2. Significant Accounting Policies

(a) General statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views 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 Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

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

(b) Basis of accounting

The financial statements have been prepared in accordance with Accounting Standard AAS 29 “Financial Reporting by Government Departments”.

The statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

(c) Service appropriation

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

(d) Contributed equity

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

(e) Operating accounts

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

(f) Depreciation of non-current assets

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

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

(g) Employee benefits

Annual leave

This entitlement is recognised at current remuneration rates.

Long Service Leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provisions for employee benefits and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation

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

The superannuation expense comprises the following elements:

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

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

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

The Office is funded for employer contributions in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. These contributions were paid to the GESB during the year. The GESB subsequently paid the employer contributions in respect of the Gold State Superannuation Scheme to the Consolidated Fund.

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by payment of employer contributions to the GESB.

Employee Benefit On-costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses.

(h) Leases

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

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

Accrued salaries suspense account consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each 11th year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

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

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

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

(j) Net fair values of financial assets and liabilities

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

(k) Resources received free of charge

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

(l) Revenue Recognition

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

(m) Net Appropriation Determination

Pursuant to section 23A of the Financial Administration and Audit Act, the net appropriation determination by the Treasurer provides for retention of the following moneys received by the Office:

- (i) user charges and fees
- (ii) other departmental revenue

Retained revenues may only be applied to the services specified in the 2004-2005 Budget Statements.

(n) Comparative Figures

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

(o) Acquisitions of assets

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

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

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

(p) Cash

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

(q) Receivables

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

(r) Rounding

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

3 Services of the Office

Service 1: Compliance Monitoring and Assistance

Description: Development of Standards and ethical codes. Assisting public authorities to comply. Providing independent oversight to monitor and report on compliance to Parliament.

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

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

Service 3: Chief Executive Officer Selection and Reappointment

Description: Provision of independent advice to the Minister about reappointment and persons suitable to be considered for vacant Chief Executive Officer positions by using objective, fair and comprehensive processes.

	2004/2005 \$	2003/2004 \$
4 Employee expenses		
Salaries and wages	1,855,600	2,046,320
Annual and long service leave expense	8,858	(1,907)
	<u>1,864,458</u>	<u>2,044,413</u>
5 Costs of disposal of non-current assets		
Carrying amount of non-current assets disposed of	0	318
Proceeds from disposal of non-current assets	0	4,163
Net gain/(loss) on disposal of non-current assets		
Loss on disposal of		
office equipment	0	0
computer hardware	0	0
office establishment	0	0
furniture and fittings	0	(318)
	<u>0</u>	<u>(318)</u>
Gain on disposal of		
computer hardware	0	4,163
Net gain/(loss)	<u>0</u>	<u>3,845</u>
6 Administration expenses		
Communication	47,120	54,798
Services and contract	812,446	771,185
Consumables	179,087	161,273
	<u>1,038,653</u>	<u>987,256</u>
7 Depreciation expense		
Computer equipment	63,873	61,225
Furniture and fittings	356	586
Office equipment	41,578	36,714
Office establishment	38,000	10,509
	<u>143,807</u>	<u>109,034</u>
8 Capital user charge	93,480	50,080
A capital user charge rate of 8% has been set by the Government and represents the opportunity cost of capital invested in the net assets of the Office used in the provision of services. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.		
9 User charges and fees		
Contributions by senior officers to the Executive Vehicle Scheme	4,982	5,959
Revenue from other services	25,354	15,661
Recoup from CEO selection costs	322,474	217,191
	<u>352,810</u>	<u>238,811</u>
10 Revenues from State Government		
a Appropriation revenue received during the year		
Service appropriations (i)		
Recurrent appropriations	3,110,000	3,095,000
Special Act appropriations	264,000	232,000
	<u>3,374,000</u>	<u>3,327,000</u>

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

b Resources received free of charge

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

Department of Housing and Works		
Property management	2,333	2,226
Department of Justice -State Solicitors Office		
Legal services	16,322	5,861
Department of Treasury and Finance		
Procurement	0	6,500
Department of the Premier and Cabinet		
Human resources and payroll services	50,000	19,600
Financial management services including library services	36,600	54,500
Transport services	0	1,785
	<u>105,255</u>	<u>90,472</u>

c Liabilities assumed by the Treasurer

Superannuation (i)	3,529	2,360
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- (i) The assumption of the superannuation liability by the Treasurer is only a notional revenue to offset the notional superannuation expense reported in respect of current employees who are members of the pension scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation scheme.

11 Cash and amounts in suspense

For the purpose of the Statement of Cash Flows, cash included cash at bank and amounts in suspense. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:-

Restricted cash assets		
Current		
Accrued salaries suspense account	0	78,500
Operating bank account - CEO selection	219,841	93,970
	<u>219,841</u>	<u>172,470</u>
Non-Current		
Accrued salaries suspense account	0	0
	<u>219,841</u>	<u>172,470</u>
Cash assets		
Operating bank account - controlled	298,543	291,281
	<u>518,384</u>	<u>463,751</u>

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

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

12 Prepayments

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

30 June 2004	0	25,218
30 June 2005	24,358	0

13 Receivables

GST receivable	44,603	17,565
Other receivable	2,900	0
CEO debtors	91,351	114,917
EEO debtors	9,025	6,044
	<u>147,879</u>	<u>138,526</u>

14 Amounts receivable for services

Current	164,000	110,000
Non-current	515,000	427,000
	<u>679,000</u>	<u>537,000</u>

This asset 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.

15 Property, plant and equipment

Furniture and fittings		
At cost	12,303	12,303
Accumulated depreciation	(11,380)	(11,023)
	<u>923</u>	<u>1,280</u>
Office equipment		
At cost	291,165	263,131
Accumulated depreciation	(180,407)	(138,829)
	<u>110,758</u>	<u>124,302</u>
Computer equipment		
At cost	387,149	311,407
Accumulated depreciation	(259,007)	(195,134)
	<u>128,142</u>	<u>116,273</u>
Office establishment		
At cost	381,440	368,146
Accumulated depreciation	(54,822)	(16,822)
	<u>326,618</u>	<u>351,324</u>
Total		
At cost	1,072,057	954,987
Accumulated depreciation	(505,616)	(361,808)
	<u>566,441</u>	<u>593,179</u>

Reconciliation of non-current assets 2004/2005

	Furniture and fittings	Computer equipment	Office equipment	Office establishment	Total
	\$	\$	\$	\$	\$
Carrying amount at the start of the year	1,280	116,273	124,302	351,324	593,179
Additions	0	75,742	28,034	13,294	117,070
Disposals					
cost	0	0	0	0	0
accumulated depreciation	0	0	0	0	0
Revaluation increments	0	0	0	0	0
Depreciation	(357)	(63,873)	(41,578)	(38,000)	(143,808)
Carrying amount at the end of the year	<u>923</u>	<u>128,142</u>	<u>110,758</u>	<u>326,618</u>	<u>566,441</u>

Reconciliation of non-current assets 2003/2004

	Furniture and fittings	Computer equipment	Office equipment	Office establishment	Total
	\$	\$	\$	\$	\$
Carrying amount at the start of the year	2,184	100,030	87,353	56,524	246,091
Additions	0	77,468	73,663	305,309	456,440
Disposals					
cost	(4,053)	(35,904)	0	0	(39,957)
accumulated depreciation	3,735	35,904	0	0	39,639
Revaluation increments	0	0	0	0	0
Depreciation	(586)	(61,225)	(36,714)	(10,509)	(109,034)
Carrying amount at the end of the year	<u>1,280</u>	<u>116,273</u>	<u>124,302</u>	<u>351,324</u>	<u>593,179</u>

16 Payables

Amounts payable for goods and services received as at:-

30 June 2004	0	55,561
30 June 2005	96,084	0

The carrying amount of accounts payable approximates their fair values.

17 Other liabilities

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

30 June 2004	0	64,010
30 June 2005	0	0

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

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

18 Provisions

Current liabilities

Annual leave	142,542	107,861
Long service leave	141,280	142,780
Purchased salary arrangements	6,320	7,955
Other (i)	25,386	29,879
	<u>315,528</u>	<u>288,475</u>

Non-current liabilities

Long service leave	183,769	208,855
Other (i)	13,345	22,835
	<u>197,114</u>	<u>231,690</u>

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

Employee benefit liabilities

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

Provision for employee benefits:

Current	315,528	288,475
Non-current	197,114	231,690
	<u>512,642</u>	<u>520,165</u>

19 Amounts due to the Treasurer

Treasurer's advance	300,000	300,000
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20 Equity

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

Contributed equity

Opening balance	531,000	531,000
Capital contributions (i)	50,000	0
Closing balance	<u>581,000</u>	<u>531,000</u>

- (i) Capital Contributions have been designated as contributions by owners and are credited directly to equity in the Statement of Financial Position.

Accumulated surplus

Opening balance	286,938	290,808
Change in net assets	159,398	(3,870)
Closing balance	<u>446,336</u>	<u>286,938</u>

21 GST receipts from taxation authority

Represents net proceeds from the Australian taxation authority

GST receipts from ATO	113,354	167,249
GST paid to ATO	(38,685)	(13,251)
	<u>74,669</u>	<u>153,998</u>

22a Reconciliation of net cost of services to net cash flows in operating activities.

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

Net cost of services	(3,323,386)	(3,423,702)
Non cash items		
Depreciation expenses	143,807	109,034
Superannuation expenses	3,529	2,360
Resources received free of charge	105,255	90,472
(Profit)/Loss on sale of property, plant and equipment	0	(3,845)
(Increase) / Decrease in assets		
Prepayments	860	(24,143)
Receivables	17,685	(57,318)
Increase / (Decrease) in liabilities		
Payables	62,189	(22,179)
Accrued salaries	(64,010)	16,701
Provisions	(7,523)	(3,639)
Net GST receipts / (payments)	0	0
Change in GST in receivables / payables	(27,038)	12,708
Net cash used in operating activities	(3,088,632)	(3,303,551)

22b Non-cash investing activities

During the reporting period, the Office of the Public Sector Standards Commissioner acquired non-current physical assets with an aggregate fair value of \$1,342 (2003/2004: \$23,007) which at year-end, had not been paid for.

These acquisitions are not reflected in the Statement of Cashflows.

23 Remuneration of senior officers
Remuneration

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

		2004/2005	2003/2004
0-	10000	3	0
10001-	20000	0	1
20001-	30000	0	1
30001-	40000	2	1
40001-	50000	1	1
50001-	60000	0	0
60001-	70000	0	0
70001-	80000	1	1
80001-	90000	1	2
90001-	100000	3	0
100001-	110000	0	1
110001-	120000	0	0
120001-	130000	1	2
130001-	140000	1	0
140001-	150000	0	1
150001-	160000	0	0
160001-	170000	1	0
240001-	250000	0	1
280001-	290000	1	0

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

The total remuneration of senior officers is:

1,281,806 1,126,632

No senior officers are members of the Pension Scheme.

24 Explanatory Statement

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

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

a Significant variances between estimate and actual - Total appropriation to deliver services

	2004/2005 Estimate \$	2004/2005 Actual \$	Variance \$
Amount of appropriation provided to deliver services for the year	3,052,000	3,110,000	(58,000)
Amount authorised by other Statutes -Salaries and Allowances Act 1975	232,000	264,000	(32,000)
	3,284,000	3,374,000	(90,000)

(\$58,000) - Not a significant variation

(\$32,000) - Relates to an increase in the Commissioner's salary as determined by the Salaries and Allowances Tribunal during 2004/05.

Service Expenditure

Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines

2,175,000 2,068,846 106,154

Advice and Evaluation of Equity and Diversity in Public Employment

1,162,000 1,122,032 39,968

Independent Chief Executive Officer Selection and Reappointment Advice

288,000 485,318 (197,318)

3,625,000 3,676,196 (51,196)

\$106,154 - Not a significant variation

\$39,968 - Not a significant variation

(\$197,318) - The estimated expenses for 2004/05 did not include costs of \$260,000 for expenses paid from the CEO Selection Advance account. It should be noted that these costs are expended from a Treasurer's Advance which is then recouped from agencies at the completion of the Chief Executive Officer appointment.

Total revenues from ordinary activities 96,000 352,810 (256,810)

(\$256,810) - The increase in revenues results from a greater number of Chief Executive Officer Selection processes being completed during 2004/05 allowing monies to be recouped back from agencies into the Treasurer's Advance.

b Significant variances between actual and prior year actual - Total appropriation to deliver services.

	2004/2005 \$	2003/2004 \$	Variance \$
Amount of appropriation provided to deliver services for the year	3,110,000	3,095,000	15,000
\$15,000 - Not a significant variation			
Amount authorised by other Statutes <i>Salaries and Allowances Act 1975</i>	264,000	232,000	32,000
\$32,000 - A funding increase by Treasury to account for increases in the Commissioner's salary as determined by the Salaries and Allowances Tribunal.			
Total revenues from ordinary activities	352,810	242,974	109,836
The variation of \$109,836 relates to the number of Chief Executive Officer positions being completed and recouped within the 2004/05 period.			
Service Expenditure Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines	2,068,846	2,193,404	(124,558)
Advice and Evaluation of Equity and Diversity in Public Employment	1,122,032	857,766	264,266
Independent Chief Executive Officer Selection and Reappointment Advice	485,318	615,506	(130,188)
	3,676,196	3,666,676	9,520

(\$124,558) - Not a significant variation

\$264,266 - The variation relates to changes in internal operations within the Office with creation of the Evaluation and Reporting sub output area. Additional monies were to undertake the development of a new corporate image, website development and development of new ethics measures.

(\$130,000) - Relates to less CEO selection positions being undertaken in the 2004/05 year.

c Significant variances between estimate and actual - Capital Contribution

	2004/2005 Estimate \$	2004/2005 Actual \$	Variance \$
Capital contribution	0	50,000	(50,000)

An additional \$50,000 was approved as part of the mid year review process to undertake a three year project to update the Office websites.

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

	2004/2005 \$	2003/2004 \$	Variance \$
Capital contribution	50,000	0	50,000
Capital expenditure	117,069	456,439	(339,370)

The expenditure for 2003/2004 included monies for the relocation of the Office and this project was completed in that year. Monies spent in 2004/05 were for asset replacement only.

25 Operating leases

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

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

24,257	30,903
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The Office of the Public Sector Standards Commissioner also has an operating lease for office accommodation which is managed by the Commercial Property Branch of the Department of Housing and Works.

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

237,794	199,163
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26 Commitments

Commitments in relation to motor vehicles and office accommodation leases contracted for at the reporting date but not recognised as liabilities, are payable:

Within 1 year	143,380	142,715
Later than 1 year and not later than 5 years	140,531	245,504
Later than 5 years		0
	<u>283,911</u>	<u>388,219</u>

27 Remuneration of Auditor

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

Auditing the accounts, financial statements and performance indicators	17,500	16,500
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28 Additional financial instruments disclosures**Interest rate risk exposure**

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

	2004/2005		2003/2004	
	Non-interest bearing	Total	Non-interest bearing	Total
	\$	\$	\$	\$
Assets				
Cash assets	298,543	298,543	291,281	291,281
Restricted cash assets	219,841	219,841	172,470	172,470
Receivable	147,879	147,879	138,526	138,526
Amounts receivable for outputs	679,000	679,000	537,000	537,000
Total financial assets	<u>1,345,263</u>	<u>1,345,263</u>	<u>1,139,277</u>	<u>1,139,277</u>
Liabilities				
Payables	96,084	96,084	55,561	55,561
Other liabilities	0	0	64,010	64,010
Amounts due to Treasurer	300,000	300,000	300,000	300,000
Total financial liabilities	<u>396,084</u>	<u>396,084</u>	<u>419,571</u>	<u>419,571</u>

29 Impact of adopting Australian Equivalents to IFRS

AASB 1047 requires financial reports for the period ending on or after 30 June 2005 to disclose information about how the transition to Australian Equivalents to International Financial Reporting Standards (AEIFRS) and the key impacts of any changes in accounting policies in the transition period leading up to the adoption date.

The Department of the Premier and Cabinet's AEIFRS Working Group has advised that based on current information there are no material differences resulting from the application of proposed accounting policies under AEIFRS when compared with the application of existing Australian Generally Accepted Accounting Principles.

As such, it is anticipated that the adoption of the AEIFRS will not have a significant impact on the Office's financial reporting.

The impact of adopting AIFRS including the key differences in accounting policies

Reconciliation of total equity as presented under previous AGAAP to that under AIFRS

	30 June 2005 \$	1 July 2004 \$
Total equity under previous AGAAP	1,027,336	817,938
Adjustments to accumulated surplus/(deficiency):		
Employee Benefits (I)	1,000	0
Total equity under AIFRS	<u>1,028,336</u>	<u>817,938</u>

The adjustments are explained as follows:

(I) The adjustment reflects the difference resulting from actuarial review of employee benefits as determined under AASB 1028 and AASB 119 respectively.

Reconciliation of surplus/(deficit) for the period as presented under previous AGAAP to that under AIFRS

	30 June 2005 \$
Surplus/(deficit) for the period under previous AGAAP	159,398
Employee Benefits actuarial adjustment (I)	1,000
Surplus/(deficit) for the period under AIFRS	<u>160,398</u>

The adjustments are explained as follows:

(I) The adjustment reflects the difference resulting from actuarial review of employee benefits as determined under AASB 1028 and AASB119 respectively.



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Audit Opinion

In my opinion,

- (i) the controls exercised by the Office of the Public Sector Standards Commissioner provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Office at 30 June 2005 and its financial performance and cash flows for the year ended on that date.

Scope

The Public Sector Standards Commissioner's Role

The Public Sector Standards Commissioner is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Schedule of Expenses and Revenues by Service, Summary of Consolidated Fund Appropriations and Revenue Estimates, and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

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

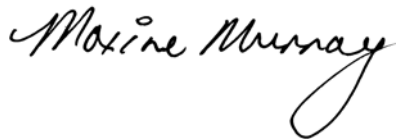
D D R PEARSON
AUDITOR GENERAL
7 October 2005

Performance Indicators 2004-2005

I hereby certify that the following Performance Indicators are:

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

of the Office of the Public Sector Standards Commissioner for the year ended 30 June 2005.



Maxine Murray
COMMISSIONER FOR
PUBLIC SECTOR STANDARDS

15 August 2005

Performance Indicators 2004-2005

Introduction

The Commissioner for Public Sector Standards is responsible for establishing standards in human resource management and codes of ethics for the Western Australian public sector, assisting public sector agencies to comply and monitoring and reporting to Ministers and Parliament on compliance. The Commissioner is independent and impartial and reports directly to the Parliament of Western Australia.

The *Public Sector Management Act 1994* sets out principles of merit and equity in human resource management and integrity in official conduct. Under the Act the Commissioner's role includes:

- Establishing WA public sector standards in human resource management and codes of ethics that are consistent with the principles.
- Assisting public sector agencies to develop codes of conduct and to comply with the codes of ethics, codes of conduct and the standards.
- Monitoring and reporting to Ministers and Parliament on the extent of compliance by public sector agencies and employees with the principles, codes and standards.
- Recommending, administering and monitoring compliance with regulations that allow people to lodge a claim and seek relief when they believe they have been adversely affected by a breach of the human resource management standards.
- Independent selection and nomination of Chief Executive Officers for WA public sector agencies.

The Commissioner also has responsibilities under the *Public Interest Disclosure Act 2003* to assist public authorities and public officers to comply with the Act and Code of Conduct and to monitor and report to Parliament on the extent of compliance.

The Office of the Public Sector Standards Commissioner also includes the Director of Equal Opportunity in Public Employment whose functions, under Part IX of that Act, include assisting public authorities to achieve equal employment opportunity (EEO) and evaluating and reporting on performance in EEO to the Minister.

Outcome for 2004-2005

During 2004-05, the Commissioner has continued to employ outcome-based measures to indicate the existence of merit, equity, probity and integrity in the public sector. These outcome-based measures are reflected in this year's performance indicators, and are highlighted in the budget papers for the 2004-05 financial year.

Outcomes for public authorities in 2004-05 include accountability for and achievement of:

- merit, equity and probity in human resource management (public sector only);
- workforce diversity at all levels of employment; and
- conduct and integrity in the performance of official duties.

Key Effectiveness Indicators

Accountability and Achievement Key Effectiveness Indicators	2003-04 Actual	2004-05 Budget	2004-05 Actual
Accountability			
Percentage of public authorities that have provided all reports as required by legislation ^{(a) (b)}	100%	100%	98%
Effectiveness Indicator 1			
Percentage of employees expressing a view who agree that there is compliance with the human resource management standards ^{(b) (c)}	60%	65%	60%
Effectiveness Indicator 2			
Improvement in the public sector composite equity index for women, people with disabilities, Indigenous Australians and people from culturally diverse backgrounds ^{(b) (d)}	77	78	78
Effectiveness Indicator 3			
Percentage of employees expressing a view who agree that there is compliance with the ethical codes ^{(b) (c)}	76%	80%	74%
Effectiveness Indicator 4			
Percentage of Commissioner's nominations for CEO positions accepted by Minister	100%	100%	100%

Notes:

- (a) Numbers are based on agency yearly reports on Equal Employment Opportunity, Human Resource Management and Ethics and Public Interest Disclosures. Public authorities that have provided all reports consist of 116 Public Sector Agencies, 144 Local Government Authorities and 4 Public Universities (Total =264).
- (b) New key effectiveness indicator developed following a review of the Office's Outcome Based Management structure. Comparable information for 2003-04 has been provided.
- (c) These percentages are measured by aggregated responses to selected climate survey questions conducted in a sample of agencies across the sector in 2004-05. The sample included two representative groups from each of the Departments of Education and Training and Health and six line and service delivery based agencies. The percentage is obtained by dividing the number of respondents who agree by the total number who express an opinion for all selected questions. People who neither agree nor disagree or who do not answer the question are excluded from the calculation. Total staff responding to the climate survey under the PSM Act in 2004-05 was 2261 (Sampling error rate = (+/-) 2.04%, where, $n = 2261$, $N = 100,000$, $z = 1.96$ and $p = 0.5$).
- (d) The composite equity index is a single measure that combines key measures of equity in public employment for women, Indigenous Australians, people from culturally diverse backgrounds and people with disabilities. The key measures of equity for each group are the variation between the workforce % and the community % and the variation in the Equity Index (a measure of the distribution of the group across all levels of the workforce). The ideal Equity Index is 100. The Composite Equity Index is based on data as at the 30 June 2004 as published in the September 2004 Annual DEOPE Report published by the Director of Equal Opportunity in Public Employment. This measure replaces the four improvement indicators in the 2003-04 Annual Report.

Key Efficiency Indicators

Service 1: Development and monitoring of human resource standards, ethical codes and public interest disclosure guidelines

Efficiency Indicator 1: Average Cost per Public Authority for Compliance Monitoring and Assistance

This indicator illustrates the average cost per public authority for monitoring and assisting their compliance with the principles, standards and ethical codes under the *Public Sector Management Act* and the provisions of the *Public Interest Disclosure Act*.

Year	Costs (\$000)	Number of Public Authorities	Average Cost Per Public Authority
2004-05 PSM Act	\$1 867	101	\$18 485
2004-05 PID Act	\$201	264	\$762
2003-04	\$2 193	103	\$21 295
2002-03	\$1 743	133	\$13 104
2001-02	\$1 650	145	\$11 379

Notes:

1. In 2003-04 the *Public Interest Disclosure Act 2003* (PID Act) commenced, which covers local government authorities and public universities as well as public sector agencies covered by the *Public Sector Management Act* (PSM Act).
2. The total costs for the financial year for delivering this output are divided by the total number of public authorities covered by the Public Sector Management Act and/or the Public Interest Disclosure Act 2003.
3. In 2003-04 the average cost for Service 1 is based on agencies covered by the PSM Act only, even though it was the first year that services were also provided for the PID Act for 266 agencies.
4. In 2004-05, the total cost for Service 1 has been separated for the two Acts and separate calculations have been made for average cost per public authority for each Act.

NB: The total cost of services for the PID Act in 2004-05 is based on the cash component, as accrual figures were unavailable. The total accrual cost of the PSM Act component has subsequently been reduced by the cash component of the PID Act. In 2005-06, financial accounting systems will be modified so that accrual costs can be calculated separately for the PID Act component.

5. Numbers for 2002-2003 and earlier are lower because in those years only the PSM Act applied and they include only public sector agencies covered by that Act.
6. The number of public authorities is based on the most recent available data for the Public Sector as at 30 June 2004.

Service 2: EEO advice and evaluation of equity and diversity in public employment

Efficiency Indicator 2: Average Cost per Public Authority for EEO

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

Year	Costs (\$000)	Number of Public Authorities	Average Cost Per Public Authority
2004-05	\$1 122	264	\$4 250
2003-04	\$858	266	\$3 226
2002-03	\$969	293	\$3 307
2001-02	\$892	305	\$2 924

Notes:

1. The total costs for the financial year for delivering this output are divided by the total number of public authorities in the public sector, local government, and universities. Costs include costs recouped from agencies for the analysis of climate survey results.
2. The number of public authorities is based on the most recent available data for the public sector as at 30 June 2004, universities as at 31 March 2004 and local government as at 30 December 2004.

Service 3: Independent CEO Selection and Reappointment Advice

Efficiency Indicator 3 – Average cost per CEO selection

This indicator shows the average cost per CEO Selection for providing independent CEO selection advice to Ministers. Because vacancy numbers vary from year to year, costs may not vary in a consistent manner.

Year	Costs (\$000)	Number of Positions	Average Cost Per CEO selection
2004-05	485	10	\$48 532
2003-04	616	12	\$51 333
2002-03	588	14	\$42 000
2001-02	433	7	\$61 857

Notes:

1. The total costs of the financial year for delivering this output are divided by the total number of CEO selection nominations to Ministers. Costs include expense costs for all positions met from the Treasurer's Advance Account and recouped from agencies.



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Office of the Public Sector Standards Commissioner are relevant and appropriate to help users assess the Office's performance and fairly represent the indicated performance for the year ended 30 June 2005.

Scope

The Public Sector Standards Commissioner's Role

The Public Sector Standards Commissioner is responsible for developing and maintaining proper records and systems for preparing performance indicators.

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

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

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

D D R PEARSON
AUDITOR GENERAL
7 October 2005

Appendix 1 – Legislation Affecting Activities

Enabling Legislation

The following three pieces of legislation relate to the functions of the OPSSC:

- *Public Sector Management Act 1994*. The Office was established under this Act and the Commissioner's functions are prescribed in Sections 21-25, 45, 48 and 97;
- *Equal Opportunity Act 1984*. The Director of Equal Opportunity in Public Employment is responsible under Part IX of the Act for ensuring compliance by all public authorities under Sections 145 and 146;
- *The Public Interest Disclosure Act 2003*. The Commissioner has a number functions under the Act which came into operation on 1 July 2003.

Other legislation

The following legislation is used and complied with by the Commissioner in order to fulfil her functions as Chief Executive Officer:

- *Corruption and Crime Commission Act 2003*
- *Disability Services Act 1993*
- *Financial Administration and Audit Act 1985*
- *Freedom of Information Act 1992*
- *Government Employee Superannuation Act 1987*
- *Industrial Relations Act 1979*
- *Library Board of Western Australia Act 1951*
- *Occupational Health, Safety and Welfare Act 1987*
- *Public and Bank Holidays Act 1972*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*
- *State Supply Commissioner Act 1991*
- *Workers' Compensation and Assistance Act 1981*.

Appendix 2 – Publications

The following publications and reports have been produced by the Office. Some can be viewed on the Office web pages at <http://www.opssc.wa.gov.au> and <http://www.oeeo.wa.gov.au>. Limited numbers of these booklets are available to the public at no cost. For people with disabilities, this document and other publications can be made available in alternative formats on request. The following publications are available to the public and some may be downloaded from our web site:

Office of the Public Sector Standards Commissioner

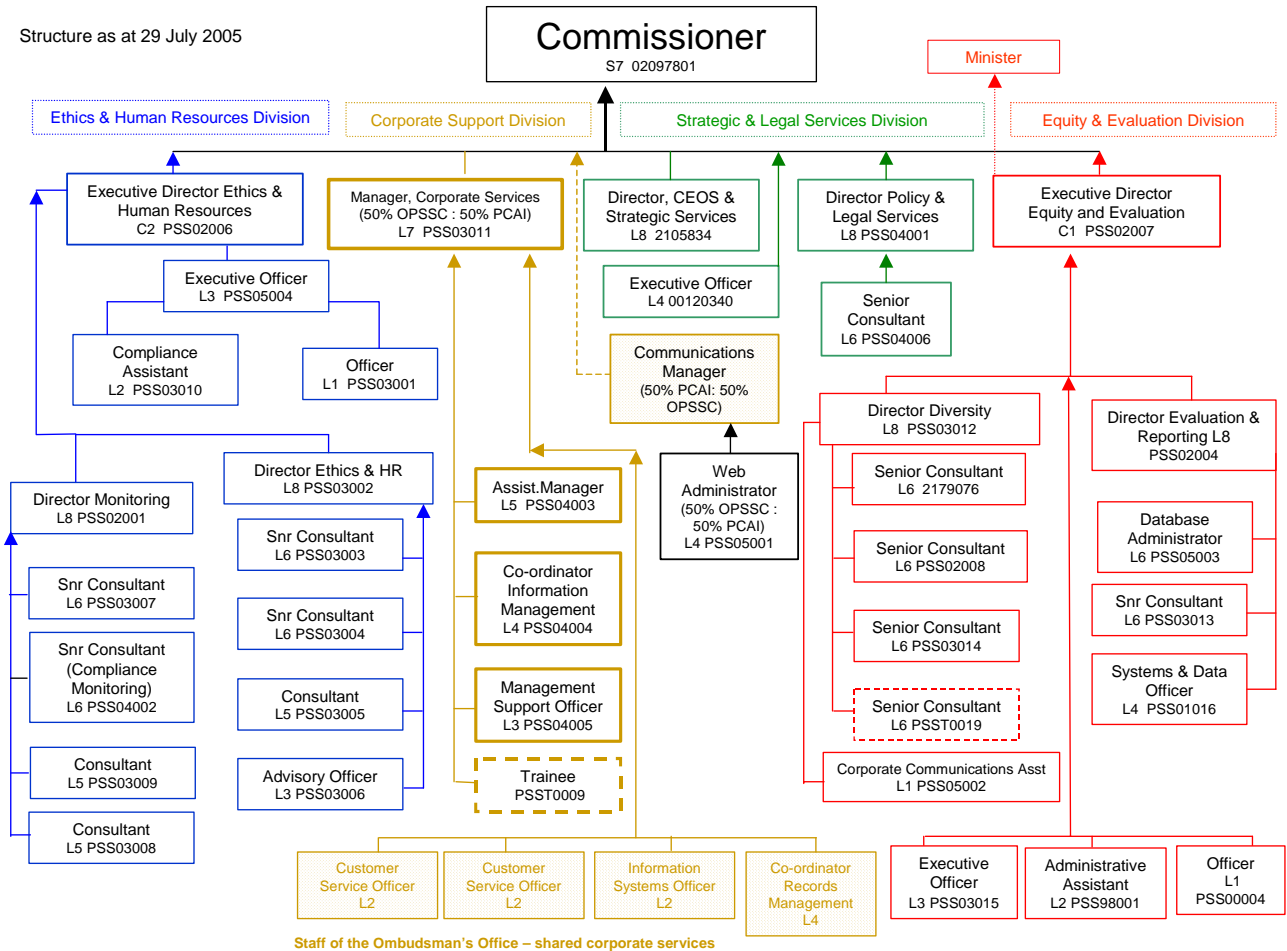
- Building a Better Public Sector;
- Building and Sustaining Integrity: Integrating Ethics into Everyday Business;
- Employee Performance Management in the Public Sector;
- Public Sector Standards Commission Annual Report 1995 & 1996;
- Office of the Public Sector Standards Commissioner Annual Reports 1997- 2004;
- Office of the Public Sector Standards Commissioner Compliance Report 2004;
- Promoting and Strengthening Integrity in WA Public Sector Bodies;
- Public Sector Management (*Examination and Review Procedures*) Regulations 2001;
- Public Sector Standards in Human Resource Management;
- Western Australian Public Sector Code of Ethics;
- Western Australian Public Sector Code of Ethics Interview (Video and CD ROM);
- Guidelines for Developing Codes of Conduct;
- Putting Ethics to Work (training manual);
- Self Assessment Guidelines (to assist agencies to review compliance with Public Sector Standards in Human Resource Management and ethical codes);
- Template Code of Conduct for Government Boards and Committees;
- Revitalising Codes of Conduct;
- Your Questions Answered: Standards, Regulations and Code of Ethics;
- Public Interest Disclosure Act 2003 – Guidelines; and
- Public Interest Disclosure Act 2003: Implementing the Public Interest Disclosure Legislation – CD ROM.

Office of Equal Employment Opportunity

- Director of Equal Opportunity in Public Employment Annual Reports 1998/99 to 2003/04;
- Accent on Ability;
- Acts of Courage: Public Sector CEOs on Men, Women and Work;
- Are You Employing Aboriginal Staff? A Resource Kit for Non-Aboriginal Supervisors of Aboriginal Staff;
- Breaking Through: Women Executives in the WA Public Sector;
- EEO and Diversity Management Planning: A Guide for Equity Planners and Practitioners;
- Equity and Diversity Plan for the Public Sector Workforce 2001-2005:
 - Equity & Diversity Plan – 1st progress report; and
 - Equity & Diversity Plan – 2nd progress report.
- Equity and Diversity Planning – Making Use of Your Demographic Data;
- Implementing Flexible Working Arrangements: A Resource Kit;
- Innovative Recruitment;
- Insights: Strategies for Success. Indigenous and Non-Indigenous People on Work (book and CD ROM);
- Mentoring: A Strategy for Achieving Equity and Diversity;
- Overcoming Workplace Barriers for Aboriginal Staff – A Resource Kit for Managers and Supervisors Working with Aboriginal Staff;
- Searching for Public Sector Executives: Equity Principles;
- Understanding EEO in WA;
- Voices of Diversity ;
- Women In Management: Good Ideas for Improving Diversity; and
- Executive and Management Recruitment – Encouraging Women Applicants.

Appendix 3 – Position Profile as at 30 June 2003

Structure as at 29 July 2005



Appendix 4 – Glossary of Terms

Breach of standard	A determination by the Commissioner that one or more of the requirements of a Public Sector Standard has not been met.
CEO	Chief Executive Officer
Climate Survey	A questionnaire measuring employee perceptions of equity, diversity and ethical issues within an agency.
Compliance monitoring	Monitoring the extent of compliance with the Standards and ethical codes at either an agency or sector level.
Code of Conduct	A formal written policy documenting the behaviour expected of all employees of a public sector body. Each public sector body is expected under the Public Sector Management Act to develop a code of conduct consistent with the Public Sector Code of Ethics.
DEOPE	Director of Equal Opportunity in Public Employment
EEO	Equal Employment Opportunity
Ethical codes	The <i>Western Australian Public Sector Code of Ethics</i> together with the individual codes of conduct of public sector bodies.
HRM	Human Resource Management
Indigenous Australians	Persons of Australian Aboriginal and Torres Strait Islander origin.
Management Tiers	The top tiers in the management structure of an organisation. Management tiers are linked to decision making rather than salary.
OPSSC	Office of the Public Sector Standards Commissioner
People from culturally diverse backgrounds	People in countries other than those categorised by the Australian Bureau of Statistics as Main English Speaking (MES) Countries.
People with disabilities	People with an ongoing disability that requires adaptation in the workplace.
Public Interest Disclosure	A disclosure made under the <i>Public Interest Disclosure Act 2003</i> .
Public Sector Standards	See Standards
SES	Senior Executive Service
Standards	<p>The Public Sector Standards in Human Resource Management. The nine Standards are listed as follows:</p> <ul style="list-style-type: none"> • Recruitment, Selection and Appointment • Transfer • Secondment • Performance Management • Redeployment • Termination • Discipline • Temporary Deployment (Acting) • Grievance Resolution.
Thematic review	A review of an agency focussing on a particular subject or theme.
Youth	People aged less than 25 years.