



Disclosures and legal compliance

Governance

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

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

4.1. Key highlights

Key highlights for 2017-18 included:

- Maintained strong performance against Key Performance Indicators and operated within a strong accountable framework.
- Completed a review and endorsed the *Health and Disability Services Complaints Office Disability Access and Inclusion Plan 2018-2022*
- Introduced a *Risk Register* to assist the Office in managing strategic and operational risks.

4.2. Financial statements Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE

Report on the Financial Statements

Opinion

I have audited the financial statements of the Health and Disability Services Complaints Office which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Health and Disability Services Complaints Office for the year ended 30 June 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Responsibility of the Director for the Financial Statements

The Director is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Health and Disability Services Complaints Office. The controls exercised by the Office are those policies and procedures established by the Director to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

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

In my opinion, in all material respects, the controls exercised by the Health and Disability Services Complaints Office are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2018.

The Director's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the Key Performance Indicators**Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Health and Disability Services Complaints Office for the year ended 30 June 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Health and Disability Services Complaints Office are relevant and appropriate to assist users to assess the Office's performance and fairly represent indicated performance for the year ended 30 June 2018.

The Director's Responsibility for the Key Performance Indicators

The Director is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Director determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

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

Auditor General's Responsibility

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

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

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Health and Disability Services Complaints Office for the year ended 30 June 2018 included on the Office's website. The Office's management is responsible for the integrity of the Office's website. This audit does not provide assurance on the integrity of the Office's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



SANDRA LABUSCHAGNE
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
31 August 2018

Certification of Financial Statements



Government of Western Australia
Health and Disability Services Complaints Office



Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements For the year ended 30 June 2018

The accompanying financial statements of the Health and Disability Services Complaints Office have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2018 and the financial position as at 30 June 2018.

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

A blue ink signature of Pratthana Hunt, consisting of a series of loops and curves.

Pratthana Hunt
CHIEF FINANCE OFFICER

30 August 2018

A blue ink signature of Sarah Cowie, written in a cursive style.

Sarah Cowie
DIRECTOR
ACCOUNTABLE AUTHORITY

30 August 2018



Statement of Comprehensive Income

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018			
	Notes	2018 \$	2017 \$
Cost of Services			
Expenses			
Employee benefits expense	3.1	2,078,987	1,798,595
Supplies and services	3.3	301,505	192,829
Depreciation expense	5.1	1,903	1,998
Repairs, maintenance and consumable equipment	3.3	7,343	1,536
Other expenses	3.3	493,081	563,601
Total Cost of Services		2,882,819	2,558,559
Income			
<i>Revenue</i>			
Commonwealth grants and contributions	4.2	27,642	8,458
Other revenue	4.3	3,049	8,480
Total Revenue		30,691	16,938
Total Income other than Income from State Government		30,691	16,938
NET COST OF SERVICES		2,852,128	2,541,621
Income from State Government			
Service appropriation	4.1	2,871,000	2,701,000
Services received free of charge	4.1	292,092	256,895
Total Income from State Government		3,163,092	2,957,895
SURPLUS FOR THE PERIOD		310,964	416,274
OTHER COMPREHENSIVE INCOME			
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		310,964	416,274



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

Statement of Financial Position

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7.1	916,021	1,317,454
Restricted cash and cash equivalents	7.1	13,923	-
Receivables	6.1	10,893	152,327
Other current assets	6.2	22,895	541
Total Current Assets		963,732	1,470,322
Non-Current Assets			
Plant and equipment	5.1	3,648	5,551
Total Non-Current Assets		3,648	5,551
TOTAL ASSETS		967,380	1,475,873
LIABILITIES			
Current Liabilities			
Payables	6.3	78,054	154,339
Employee related provisions current	3.2	361,998	385,226
Total Current Liabilities		440,052	539,565
Non-Current Liabilities			
Employee related provisions non-current	3.2	91,507	118,451
Total Non-Current Liabilities		91,507	118,451
TOTAL LIABILITIES		531,559	658,016
NET ASSETS		435,821	817,857
EQUITY			
Accumulated surplus		435,821	817,857
TOTAL EQUITY		435,821	817,857



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

Statement of Changes in Equity

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Contributed Equity \$	Accumulated Surplus \$	Total Equity \$
Balance at 1 July 2016		-	401,583	401,583
Surplus		-	416,274	416,274
Total comprehensive income for the period		-	416,274	416,274
Transactions with owners in their capacity as owners:				
- Capital contributions		-	-	-
Total		-	-	-
Balance at 30 June 2017		-	817,857	817,857
Balance at 1 July 2017		-	817,857	817,857
Surplus		-	310,964	310,964
Total comprehensive income for the period		-	310,964	310,964
Transactions with owners in their capacity as owners:				
- Distributions to owners		-	(693,000)	(693,000)
Total		-	(693,000)	(693,000)
Balance at 30 June 2018		-	435,821	435,821

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

Statement of Cash Flows

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations		2,871,000	2,701,000
Distributions to owners – Return of funds to State Government		(693,000)	-
Net cash provided by State Government		2,178,000	2,701,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(2,063,776)	(1,802,722)
Supplies and services		(128,171)	(80,794)
Repairs, maintenance and consumable equipment		(7,343)	(1,536)
Other expenses		(396,911)	(348,871)
Receipts			
Commonwealth grants and contributions		27,642	8,458
Other revenue		3,049	8,480
Net cash used in operating activities	7.1	(2,565,510)	(2,216,985)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		-	(7,612)
Net cash used in investing activities		-	(7,612)
Net increase/(decrease) in cash and cash equivalents		(387,510)	476,403
Cash and cash equivalents at the beginning of the period		1,317,454	841,051
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.1	929,944	1,317,454

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

Notes to the Financial Statements

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. BASIS OF PREPARATION

The Office is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Office is a not-for-profit entity as profit is not its principal objective.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*
- 2) The Treasurer's Instructions (**the Instructions or TI**)
- 3) Australian Accounting Standards (**AAS**) including applicable interpretations
- 4) Where appropriate, those **AAS** paragraphs applicable to not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where a modification is required and the modification has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case, the different measurement basis is disclosed in the associated note.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are reported in the notes, where the amounts affected by those judgements and estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. BASIS OF PREPARATION (Continued)

Contributed equity

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

The transfers of net assets to/from other agencies, other than because of a restructuring of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

2. OFFICE OUTPUTS

How the Office operates

This section includes information regarding the nature of funding the Office receives and how this funding is utilised to achieve the Office's objectives.

	Notes
Office objectives	2.1
Schedule of income and expense by service	2.2

2.1 Office Objectives

Mission

The Office's mission is to support improvements to health, disability and mental health services for Western Australia and the Indian Ocean Territories through complaint resolution and complaints education in a professional, impartial, confidential and efficient manner with quality outcomes.

The Office is funded predominantly by Parliamentary appropriations.

Service

The Office is responsible for delivering two services:

Service One: Complaints Management

Assessment, negotiated settlement, conciliation and investigation of complaints.

Service Two: Education

Education and training in the prevention and resolution of complaints.

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2.2 Schedule of Income and expenses by service

	Service One		Service Two		Total	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
COST OF SERVICES						
Expenses						
Employee benefits expense	1,483,133	1,169,087	595,854	629,508	2,078,987	1,798,595
Supplies and services	215,091	125,339	86,414	67,490	301,505	192,829
Depreciation and amortisation expense	1,358	1,299	545	699	1,903	1,998
Repairs, maintenance and consumable equipment	5,238	999	2,105	537	7,343	1,536
Other expenses	351,760	366,341	141,321	197,260	493,081	563,601
Total cost of services	2,056,580	1,663,065	826,239	895,494	2,882,819	2,558,559
INCOME						
Revenue						
Commonwealth grants and contributions	19,720	8,458	7,922	-	27,642	8,458
Other revenue	2,175	8,480	874	-	3,049	8,480
Total income other than income from State Government	21,895	16,938	8,796	-	30,691	16,938
NET COST OF SERVICES	2,034,685	1,646,127	817,443	895,494	2,852,128	2,541,621
INCOME FROM STATE GOVERNMENT						
Service appropriations	2,048,149	1,755,650	822,851	945,350	2,871,000	2,701,000
Services received free of charge	208,376	166,982	83,716	89,913	292,092	256,895
Total income from State Government	2,256,525	1,922,632	906,567	1,035,263	3,163,092	2,957,895
SURPLUS FOR THE PERIOD	221,840	276,505	89,124	139,769	310,964	416,274

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

3. USE OF OUR FUNDING

Expenses incurred in the delivery of services

This section provides additional information about how the Office's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Office in achieving its objectives and the relevant notes are:

	Notes	2018 \$	2017 \$
Employee benefits expense	3.1	2,078,987	1,798,595
Employee related provisions	3.2	453,505	503,677
Other expenditure	3.3	801,929	757,966

3.1 Employee benefits expense

Wages and salaries	1,777,561	1,628,744
Superannuation – defined contribution plans	176,945	169,851
Termination benefits	124,481	-
Total employee benefits expense	2,078,987	1,798,595

The Office engaged in the following material related party expense transactions with Government related entities and other related parties:

Public Sector Commission		
- Wages and superannuation reimbursement	-	55,776
Disability Services Commission		
- Wages and superannuation reimbursement	47,676	11,646
Government Employment Superannuation Board (GESB)		
- Employee superannuation payments	150,779	153,546

Wages and salaries

Employee expenses include all costs related to employment, including wages and salaries, fringe benefits tax, and leave entitlements. Employment on cost expenses such as workers' compensation insurance are included at Note 3.3 – other expenses.

Termination benefits

Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Office is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits because of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

3.1 Employee benefits expense (Continued)

Superannuation

The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the Gold State Superannuation Scheme (GSS) (concurrent contributions), the West State Superannuation Scheme (WSS), the GESB Schemes (GESBs), or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

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

The Office does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Office to the GESB.

3.2 Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are *delivered*.

	<u>2018</u> <u>\$</u>	<u>2017</u> <u>\$</u>
<i>Current</i>		
<u>Employee Benefits Provision</u>		
Annual leave (a)	156,166	150,294
Long service leave (b)	<u>205,832</u>	<u>234,932</u>
<i>Total current employee related provisions</i>	<u>361,998</u>	<u>385,226</u>

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

3.2 Employee-related provisions (Continued)	2018 \$	2017 \$
Non-Current		
<u>Employee Benefits Provision</u>		
Long service leave (b)	91,507	118,451
<i>Total non-current employee-related provisions</i>	91,507	118,451
 Total employee related provisions	453,505	503,677
 (a) <u>Annual leave</u>		
Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	109,573	105,332
More than 12 months after the end of the reporting period	46,593	44,962
	156,166	150,294
 The provision for annual leave is calculated at the present value of expected payments to be made for services provided by employees up to the reporting date.		
 (b) <u>Long service liabilities</u>		
Unconditional long service leave provisions are classified as current liabilities as the Office does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.		
Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Office has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.		
Assessments indicate that actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	51,593	54,644
More than 12 months after the end of the reporting period	245,746	298,739
	297,339	353,383

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

3.2 Employee related provisions (Continued)

(b) Long service liabilities (Continued)

The provision for long service leave is calculated at present value as the Office does not expect to settle the amounts within 12 months. The present value is measured considering the present value of expected future payments to be made for services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(c) Key sources of estimation uncertainty – long service leave

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

Several estimates and assumptions are used in calculating the Office's long service leave provision. These include:

- Expected future salary rates;
- Discount rates;
- Employee retention rates; and,
- Expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

3.3 Other expenses	2018 \$	2017 \$
<u>Supplies and services</u>		
Communications	34,940	17,437
Medical advice and consultations	530	13,376
Fuel, light and power	4,462	6,886
Computer services (a)	188,760	123,954
Legal expenses (a)	59,204	12,762
Printing and stationery	8,245	13,826
Food supplies	801	755
Other	4,563	3,833
Total supplies and services expenses	301,505	192,829
<u>Repairs, maintenance and consumable equipment</u>		
Repairs and maintenance	460	449
Consumable equipment	6,883	1,087
Total repairs, maintenance and consumable equipment	7,343	1,536
<u>Other expenditures</u>		
Employment on-costs – Workers' compensation insurance	13,086	10,301
Staff development and transport costs	30,381	27,254
Insurance	5,532	5,557
Motor vehicle expenses	20,441	7,103
Operating lease expenses – Accommodation (a)	319,125	356,173
Doubtful debts expense	4,442	2,577
Human resources consultancies (a)	61,287	92,749
Audit fees (a)	23,319	28,871
Accounting and financial consultancies	10,839	12,112
Christmas and Cocos Islands service expenses	-	19,163
Other expenditures	4,629	1,741
Total other expenditures	493,081	563,601
Total other expenses	801,929	757,966

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

3.3 Other expenses (Continued)

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Employee on-costs

Employee on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of other expenditure Note 3.3 and are not included as part of the employee benefits expense.

Operating lease expenses – Accommodation

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

Human resources consultancies

The expenditure represents human resource consultancies provided free of charge from the Health Support Services.

Christmas and Cocos Islands services expense

The expenditure represents costs other than salaries and wages expense associated with the delivery of services to the Indian Ocean Territories through service delivery arrangements with the Australian Government.

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NOTES TO THE FINANCIAL STATEMENTS
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3.3 Other expenses (Continued)	2018 \$	2017 \$
(a) The Office engaged in the following material related party expense transactions with Government related entities:		
<u>Supplies and services</u>		
Health Support Services		
- Computer services provided free of charge	141,161	88,552
State Solicitor's Office		
- Legal services	59,204	12,762
<u>Other expenditure</u>		
Department of Finance		
- Operating lease expense for office accommodation	319,125	356,173
Health Support Services		
- Human resource consultancies provided free of charge	24,104	73,230
Office of the Auditor General		
- Audit fees	23,300	23,000

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
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4. OUR FUNDING SOURCES

	2018	2017
How we obtain our funding	\$	\$

This section provides additional information about how the Office obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Office and the relevant notes are:

	Notes		
Income from State Government	4.1	3,163,092	2,957,895
Commonwealth grants and contributions	4.2	27,642	8,458
Other revenue	4.3	3,049	8,480

4.1 INCOME FROM STATE GOVERNMENT

Appropriation received during the period:

Service appropriation	(a)	2,871,000	2,701,000
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Services received free of charge from other State Government agencies during the period:

Department of Finance			
- Operating lease expense for office accommodation fitout		62,616	70,239
State Solicitor's Office			
- Legal fees		59,204	12,762
Department of Health			
- Support services		5,007	4,035
Health Support Services			
- Computer, human consultancy and finance services		165,265	169,859
Total services received		292,092	256,895
Total income from State Government		3,163,092	2,957,895

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

Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component.

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

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	2018 \$	2017 \$
4.2 COMMONWEALTH GRANTS AND CONTRIBUTIONS		
Recurrent grant – Christmas and Cocos Islands	27,642	8,458
<p>The Office provides its services to the Indian Ocean Territories through a service delivery arrangement with the Australian Government. The terms of the service delivery arrangement specified that the grant must be used to provide complaints management and complaints education services to the Christmas and Cocos Islands. The grant has been recognised in its entirety upon receipt. The only condition applying to its use is how it can be expended. The grant is not subject to performance measures in terms of service delivery.</p>		
4.2.1 Other statement of receipts and payments		
- Commonwealth grant		
Christmas and Cocos Islands		
Balance at start of period	(6,217)	15,609
Add: Receipts		
- Commonwealth grant	27,642	8,458
Less: Payments		
- Salaries and wages	(7,502)	(11,121)
- Other expenses	-	(19,163)
	(7,502)	(30,284)
Balance at end of period (a)	13,923	(6,217)
(a) See restricted cash and cash equivalents at Note 7.1.1.		
4.3 OTHER REVENUE		
Government Vehicle Scheme contribution	3,049	3,744
Expense reimbursement from Public Sector Commission	-	3,531
Miscellaneous	-	1,205
Total other revenue	3,049	8,480

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
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5. KEY ASSETS

Assets the Office utilises for economic benefit or service potential

This section includes information regarding the key assets the Office utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

		Notes	
		2018	2017
		\$	\$
Plant and equipment	5.1	3,648	5,551
Total key assets		3,648	5,551

5.1 PLANT AND EQUIPMENT

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

	Office Equipment \$	Total \$
2018		
Gross carrying amount	7,612	7,612
Accumulated depreciation	(2,061)	(2,061)
Carrying amount at start of year	5,551	5,551
Depreciation	(1,903)	(1,903)
Carrying amount at end of year	3,648	3,648
2017		
Gross carrying amount	7,612	7,612
Accumulated depreciation	(63)	(63)
Carrying amount at start of year	7,549	7,549
Depreciation	(1,998)	(1,998)
Carrying amount at end of year	5,551	5,551

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
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5.1 PLANT AND EQUIPMENT (Continued)

Initial recognition

Items of plant and equipment costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of plant and equipment costing less than \$5,000 are immediately expensed directly to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Subsequent measurement

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

5.1.1. Depreciation and impairment charge for the period

<u>Depreciation</u>	2018 \$	2017 \$
Office equipment	1,903	1,998
Total depreciation for the period	1,903	1,998

Finite useful lives

All plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful Life
Office equipment	4 Years

As at 30 June 2018 there were no indications of impairment of plant and equipment.

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5.1 PLANT AND EQUIPMENT (Continued)

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount, and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
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6. OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the Office's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2018 \$	2017 \$
Receivables	6.1	10,893	152,327
Other current assets	6.2	22,895	541
Payables	6.3	78,054	154,339

6.1 RECEIVABLES

Current

Receivables	427	144,614
Accrued revenue	608	-
GST receivable	903	3,131
Paid parental leave recoverable Commonwealth Government	8,364	-
Amounts due from employees for salary over-payments	3,801	7,159
Allowance for impairment of receivables	(3,210)	(2,577)
Total Current	10,893	152,327

The Office is owed the following material balances from Government related entities:

Public Sector Commission		
- Recoup employee leave reimbursement	-	37,100
State Ombudsman Office		
- Recoup employee leave reimbursement	-	105,943

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

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
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6.1 RECEIVABLES (Continued)	2018	2017
	\$	\$
6.1.1. Movement of the allowance for impairment of receivables		
Reconciliation of changes in the allowance for impairment receivables		
Balance at start of period	2,577	-
Doubtful debts expense	2,929	2,577
Bad debts expense	1,513	-
Amounts written off during the period	(3,809)	-
Balance at end of period	3,210	2,577
<p>The collectability of receivables is reviewed on an ongoing basis, and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Office will not be able to collect the debts.</p>		
6.2 OTHER CURRENT ASSETS		
Prepayments	22,895	541
<p>Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period. The 2018 balance consists of office rent prepaid for July 2018.</p>		
6.3 PAYABLES		
<u>Current</u>		
Trade payables	35,996	31,583
Other payables	3,579	3,729
Accrued expenses	11,317	93,150
Accrued salaries	27,162	25,877
	78,054	154,339

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
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	2018 \$	2017 \$
6.3 PAYABLES (Continued)		
The Office owes the following material balances to Government related entities:		
Workcover WA		
- Employee leave entitlements	-	72,894

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

Accrued expenses represent goods and services received at year end, which the supplier has not provided an invoice.

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

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

7. FINANCING

This section sets out the material balances and disclosures associated with the financing and cash flows of the Office.

		Notes
Cash and cash equivalents		7.1
Reconciliation of cash		7.1.1
Reconciliation of operating activities		7.1.2
Commitments		7.2
Non-cancellable operating lease commitments		7.2.1
Other expenditure commitments		7.2.2
7.1 CASH AND CASH EQUIVALENTS	2018	2017
	\$	\$
7.1.1 Reconciliation of cash		
Cash and cash equivalents	916,021	1,317,454
Restricted cash and cash equivalents		
- Recurrent grant from the Commonwealth Department of Infrastructure, Regional Development and Cities (a)	13,923	-
Balance at end of period	929,944	1,317,454

(a) Funds to service the Indian Ocean Territories
- See note 4.2.1

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

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
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	2018	2017
	\$	\$
7.1 CASH AND CASH EQUIVALENTS (Continued)		
7.1.2 Reconciliation of net cost of services to net cash flows used in operating activities		
Net cost of services	(2,852,128)	(2,541,621)
Non-Cash Items:		
- Depreciation expense	1,903	1,998
- Services received free of charge	292,092	256,895
- Doubtful debts expense	2,929	-
- Bad debts expense	1,513	-
(Increase)/Decrease in Assets:		
- Current receivables (a)	136,992	(44,003)
- Other current assets	(22,354)	18,928
Increase/(Decrease) in Liabilities:		
- Current payables	(76,285)	53,120
- Current provisions	(23,228)	30,454
- Non-current provisions	(26,944)	7,244
Net Cash Used in Operating Activities	(2,565,510)	(2,216,985)

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

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
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7.2 COMMITMENTS	2018 \$	2017 \$
7.2.1 Non-cancellable operating lease commitments - Accommodation		
Commitments for minimum lease payments are payable as follows:		
- Within 1 year	278,232	299,993
- Later than 1 year and not later than 5 years	<u>1,112,927</u>	<u>-</u>
	<u>1,391,159</u>	<u>299,993</u>
The commitments for accommodation are inclusive of GST.		
Judgements made by management in applying accounting policies – Operating lease commitments		
The Office has entered into a lease for the 2nd Floor Albert Facey House, Perth for its office accommodation. The lessor retains substantially all the risks and rewards incidental to ownership of the building. Accordingly, the lease has been classified as an operating lease.		
7.2.2 Other expenditure commitments – IT services		
Other expenditure commitments (IT services) contracted at the end of the reporting period but not recognised as liabilities, are payable as follows		
- Within 1 year	20,493	19,010
- Later than 1 year and not later than 5 years	<u>81,972</u>	<u>-</u>
	<u>102,465</u>	<u>19,010</u>
The commitments for IT services are inclusive of GST.		

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
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8. RISKS AND CONTINGENCIES

This note sets out the key risk management policies and measurement techniques of the Office.

	Note
Financial risk management	8.1
Contingent assets and liabilities	8.2

8.1 FINANCIAL RISK MANAGEMENT

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

(a) Summary of Risks and Management

Credit Risk

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

The maximum exposure to credit risk at the end of the reporting period for each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 8.1 (c) 'Ageing Analysis of Financial Assets and Note 6.1 'Receivables'.

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

Liquidity Risk

Liquidity risk arises when the Office is unable to meet its financial obligations as they fall due.

The Office is exposed to liquidity risk through its trading in the normal course of business.

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

Market Risk

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

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
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8.1 FINANCIAL RISK MANAGEMENT (Continued)

(b) Categories of Financial Instruments

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

	2018 \$	2017 \$
<i>Financial Assets</i>		
Cash and cash equivalents	916,021	1,317,454
Restricted cash and cash equivalents	13,923	-
Receivables (i)	9,990	149,196
Total financial assets	939,934	1,466,650
<i>Financial Liabilities</i>		
Payables	78,054	154,339
Total financial liabilities	78,054	154,339

- (i) The amount of receivables excludes GST recoverable from the Australian Taxation Office (statutory receivables).

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8.1 FINANCIAL RISK MANAGEMENT (Continued)

(c) Ageing analysis of financial assets

		Not Past Due And Not Impaired \$	Past Due But Not Impaired				Impaired Financial Assets \$
	Carrying Amount \$		Up to 12 Months \$	1 to 2 Years \$	2 to 5 Years \$	More than 5 Years \$	
2018							
Cash and cash equivalents	916,021	916,021	-	-	-	-	-
Restricted cash and cash equivalents	13,923	13,923	-	-	-	-	-
Receivables (i)	9,990	-	9,563	427	-	-	-
	939,934	929,944	9,563	427	-	-	-
2017							
Cash and cash equivalents	1,317,454	1,317,454	-	-	-	-	-
Receivables (i) (ii)	149,196	141,067	970	(50)	1,419	5,790	-
	1,466,650	1,458,521	970	(50)	1,419	5,790	-

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

(ii) The (\$50) is a refund due to an employee, who overpaid a receivable.

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
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8.1 FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity Risk and Interest Rate Exposure

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

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

2018	Weighted Average Effective Interest Rate %	Interest Rate Exposure			Nominal Amount \$	Maturity Dates			
		Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$		Up to 12 Months \$	1 to 2 Years \$	2 to 5 Years \$	More than 5 Years \$
Financial Assets									
Cash and cash equivalents	-	916,021	-	-	916,021	916,021	-	-	-
Restricted cash and cash equivalents	-	13,923	-	-	13,923	13,923	-	-	-
Receivables (i)	-	9,990	-	-	9,990	9,990	-	-	-
		939,934	-	-	939,934	939,934	-	-	-
Financial Liabilities									
Payables	-	78,054	-	-	78,054	78,054	-	-	-
		78,054	-	-	78,054	78,054	-	-	-

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

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8.1 FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity Risk and Interest Rate Exposure (Continued)

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

2017	Weighted Average Effective Interest Rate %	Interest Rate Exposure			Nominal Amount \$	Maturity Dates			
		Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$		Up to 12 Months \$	1 to 2 Years \$	2 to 5 Years \$	More than 5 Years \$
<u>Financial Assets</u>									
Cash and cash equivalents	-	1,317,454	-	-	1,317,454	1,317,454	-	-	-
Receivables (i)	-	149,196	-	-	149,196	149,196	-	-	-
		1,466,650	-	-	1,466,650	1,466,650	-	-	-
<u>Financial Liabilities</u>									
Payables	-	154,339	-	-	154,339	154,339	-	-	-
		154,339	-	-	154,339	154,339	-	-	-

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

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
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8.1 FINANCIAL RISK MANAGEMENT (Continued)

(e) Interest Rate Sensitivity Analysis

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

8.2 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

There were no contingent liabilities or contingent assets as at 30 June 2018.

9. OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	9.1
Future impact of Australian Accounting Standards not yet operative	9.2
Key management personnel	9.3
Related party transactions	9.4
Remuneration of auditor	9.5
Related bodies	9.6
Affiliated bodies	9.7
Supplementary financial information	9.8
Explanatory statement	9.9

9.1 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

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NOTES TO THE FINANCIAL STATEMENTS
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9.2 FUTURE IMPACT OF AUSTRALIAN ACCOUNTING STANDARDS NOT YET OPERATIVE

The Office cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements' or by an exemption from TI 1101. Where applicable, the Office plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	Financial Instruments	1 Jan 2018
	This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments.	
	The Office has assessed that recognition of expected credit losses will increase the amount of impairment losses recognised as Other expenses in the Statement of Comprehensive Income. This is likely to have minimal impact on the Office.	
AASB 15	Revenue from Contracts with Customers	1 Jan 2019
	This Standard establishes the principles that the Office shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.	
	The Office's income is principally derived from appropriations which will be measured under AASB 1058 and will be unaffected by this change.	

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
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**9.2 FUTURE IMPACT OF AUSTRALIAN ACCOUNTING STANDARDS NOT YET OPERATIVE
(Continued)**

		Operative for reporting periods beginning on/after
AASB 16	Leases	1 Jan 2019
	<p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the Office currently has commitments for \$1,391,159 worth of non-cancellable operating leases which will mostly be brought onto the Statement of Financial Position. Interest and amortisation expense will increase and rental expense will decrease.</p>	
AASB 1058	Income of Not-for-Profit Entities	1 Jan 2019
	<p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by the Office. The Office anticipates that the application will not materially impact appropriations or untied grant revenues.</p>	
AASB 1059	Service Concession Arrangements: Grantors	1 Jan 2019
	<p>This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a Public Sector Office by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The Office has not identified any public private partnerships within scope of the Standard.</p>	

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
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**9.2 FUTURE IMPACT OF AUSTRALIAN ACCOUNTING STANDARDS NOT YET OPERATIVE
(Continued)**

		Operative for reporting periods beginning on/after
AASB 2010-7	<p>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018.</p>	1 Jan 2018
AASB 2014-1	<p>Amendments to Australian Accounting Standards</p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. <i>These changes have no impact as the Office was not permitted to early adopt AASB 9.</i></p>	1 Jan 2018
AASB 2014-5	<p>Amendments to Australian Accounting Standards arising from AASB 15</p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Office has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

9.2 FUTURE IMPACT OF AUSTRALIAN ACCOUNTING STANDARDS NOT YET OPERATIVE
(Continued)

		Operative for reporting periods beginning on/after
AASB 2014-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	1 Jan 2018
	This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Office has not yet determined the application or the potential impact of the Standard.	
AASB 2015-8	Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 Jan 2018
	This Standard amends the mandatory application date of AASB 15 to 1 January 2018 (instead of 1 January 2017). It also defers the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this Standard.	
AASB 2016-3	Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 Jan 2018
	This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Office has not yet determined the application or the potential impact when the deferred AASB 15 becomes effective from 1 January 2019.	
AASB 2016-7	Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	1 Jan 2018
	This Standard defers, for not-for-profit entities, the mandatory application date of AASB 15 to 1 January 2019, and the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this standard.	

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

**9.2 FUTURE IMPACT OF AUSTRALIAN ACCOUNTING STANDARDS NOT YET OPERATIVE
(Continued)**

	Operative for reporting periods beginning on/after
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	1 Jan 2019

This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.

9.3 KEY MANAGEMENT PERSONNEL

The Office has determined that key management personnel include the responsible Minister and senior officers of the Office. However, the Office is not obligated to compensate the responsible Minister. Therefore, the disclosures regarding Ministers' compensation may be found in the *Annual Report on State Finances*.

Total compensation, inclusive of fees, salaries, superannuation, non-monetary benefits and other benefits, for the senior officers of the Office for the reporting period is presented within the following bands:

Compensation Bands (\$)	2018	2017
280,001 - 290,000	-	1
310,001 - 320,000	1	-
	\$	\$
Short-term employee benefits	247,212	219,648
Post-employment benefits	37,836	36,560
Other long-term benefits	26,446	26,445
Total compensation of key management personnel	311,494	282,653

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

9.4 RELATED PARTY TRANSACTIONS

The Office is a wholly-owned Public Sector entity that is controlled by the State of Western Australia.

Related parties of the Office include:

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

Significant Transactions with Government-Related Entities

In conducting its activities, the Office is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies.

Significant transactions include: Note

Revenue

- | | |
|---|-----|
| • Service appropriation received from the State Government | 4.1 |
| • Services received free of charge from other State Government agencies | 4.1 |

Expenses

- | | |
|--|----------------|
| • Wages and superannuation reimbursement to the Disability Services Commission | 3.1 |
| • Operating lease expense for office accommodation to the Department of Finance | 3.3 |
| • Audit services from the Office of the Auditor General | 3.3
and 9.5 |
| • Commitments for future accommodation and lease payments to the Department of Finance | 7.2.1 |
| • Commitments for IT services to the Department of Finance | 7.2.2 |

**HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

9.4 RELATED PARTY TRANSACTIONS (Continued)

Material Transactions with Other Related Parties

Note

Significant transactions include:

- Superannuation payments to GESB 3.1

The Office had no other material related party transaction with Ministers, Senior Officers or their close family members or their controlled or jointly controlled entities.

9.5 REMUNERATION OF AUDITOR

2018

2017

\$

\$

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

Auditing the accounts, financial statements and key performance indicators	23,530	23,300
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9.6 RELATED BODIES

The Office had no related bodies during the financial year.

9.7 AFFILIATED BODIES

The Office had no affiliated bodies during the financial year.

9.8. SUPPLEMENTARY FINANCIAL INFORMATION

Under the authority of the accountable authority, the Office wrote off bad debts totalling \$3,809 for the year ended 30 June 2018 (2017: \$Nil). Furthermore, the Office had no write-offs of public property; no losses through theft or default; and no gifts of public property made or received in 2017 and 2018.

9.9 EXPLANATORY STATEMENT

The Office is exempted from TI945 Explanatory Statement, which requires the reporting of significant variances between the actual results for 2018 and 2017, and between estimated and actual results for 2018, as its Total Cost of Services is below \$3 million for the two most recent consecutive comparative periods.

TI945 Paragraph (1)(ii)

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

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

As required under Section 40 of the *Financial Management Act 2006* and *Treasurer's Instruction 953* the Annual Financial Estimates for HaDSCO for the 2018-19 financial year are provided in the table below. The Deputy Premier; Minister for Health; Mental Health approved the budget estimates on 16 April 2018.

Health and Disability Services Complaints Office s.40 <i>Financial Management Act 2006</i> Submission Statement of Comprehensive Income		<u>Attachment A</u> from directly
	Notes	2018/2019 Estimate \$
COST OF SERVICES		
Expenses		
Employee benefits expense		2,031,919
Supplies and services		392,437
Depreciation expense		2,552
Repairs, maintenance and consumable equipment		12,577
Other expenses		532,360
Total cost of services		2,971,845
INCOME		
Revenue		
Commonwealth grants and contributions	1	36,771
Other revenue	2	3,074
Total revenue		39,845
Total income other than income from State Government		39,845
NET COST OF SERVICE		2,932,000
Income from State Government		
Service appropriation		2,651,000
Services received free of charge	3	281,000
		2,932,000
SURPLUS/(DEFICIT) FOR THE PERIOD		-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-

Notes:

1. Commonwealth grant received in relation to programs for the Indian Ocean Territories. The agency anticipates this funding to be fully utilised. However, in the event these funds are not fully utilised in the 2018-19 financial year, carryover amounts will be treated as restricted cash as they have been provided for a specific purpose and there may be a requirement to return these funds if requested by the Commonwealth.
2. Other revenue is related to funds received for the Senior Officers Vehicle Scheme.
3. Resources received free of charge from Building Management and Works, State Solicitors Office and WA Health (Health Support Services, and Department of Health). Corresponding expenses appear within the 'Other expense' and the 'Supplies and services' line items, which relate to building lease management, legal fees, finance, information technology, supply and human resources.

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

Attachment B

	Notes	2018/2019 Estimate \$
ASSETS		
Current Assets		
Cash and cash equivalents		692,938
Restricted cash and cash equivalents	1	-
Receivables	2	-
Total Current Assets		692,938
Non-Current Assets		
Plant and equipment		1,730
Total Non-Current Assets		1,730
Total Assets		694,668
LIABILITIES		
Current Liabilities		
Payables		127,700
Provisions		339,615
Total Current Liabilities		467,315
Non-Current Liabilities		
Provisions		82,496
Total Non-Current Liabilities		82,496
Total Liabilities		549,811
NET ASSETS		144,857
EQUITY		
Contributed Equity		(693,000)
Accumulated surplus		837,857
TOTAL EQUITY		144,857

Notes:

1. Commonwealth grant received in relation to programs for the Indian Ocean Territories. The agency anticipates the funding to be fully utilised in the 2018-19 financial year.
2. No receivables are forecasted, as collection of all receivables is anticipated within the 2018-19 financial year.
3. In the 2017-18 financial year, an amount of \$693,000 of cash was returned to the consolidated account through an equity transfer.

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

Attachment C

**2018/2019
Estimate
\$**

CASH FLOWS FROM STATE GOVERNMENT

Service appropriation

2,651,000

Net cash provided by State Government

2,651,000

CASH FLOWS FROM OPERATING ACTIVITIES

Payments

Employee benefits

(2,036,919)

Supplies and services

(662,993)

Receipts

Commonwealth grants and contributions

36,771

Recoveries and other receipts

3,074

Net cash used in operating activities

(2,660,067)

CASH FLOWS FROM INVESTING ACTIVITIES

Payments

Purchase of non-current assets

-

Receipts

Proceeds from sale of non-current assets

-

Net cash used in investing activities

-

Net decrease in cash and cash equivalents

(9,067)

Cash and cash equivalents at the beginning of the period

702,005

**CASH AND CASH EQUIVALENTS AT THE END OF THE
PERIOD**

692,938

4.4. Key Performance Indicators

Certification of Key Performance Indicators



Government of Western Australia
Health and Disability Services Complaints Office



HEALTH AND DISABILITY SERVICES COMPLAINTS OFFICE

CERTIFICATION OF KEY PERFORMANCE INDICATORS

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Health and Disability Services Complaints Office's performance and fairly represent the performance of the office for the financial year ended 30 June 2018.

A handwritten signature in blue ink that reads 'Sarah Cowie'.

Sarah Cowie
DIRECTOR
ACCOUNTABLE AUTHORITY

30 August 2018



Our Key Performance Indicators

Health and Disability Services Complaints Office Report on Key Performance Indicators

Government goal: Strong Communities: Safe communities and supported families.

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

An overview of the Health and Disability Services Complaints Office (HaDSCO) Key Performance Indicators is demonstrated in the table below:

Key Effectiveness Indicator	Services	Key Efficiency Indicators
Proportion of recommendations resulting in implementation by providers	Service One – Complaints Management: Assessment, negotiated settlement, conciliation and investigation of complaints	KPI 1.1 Percentage of complaints closed within legislation timeframes KPI 1.2 Average cost per finalised complaint
	Service Two – Education: Education and training in the prevention and resolution of complaints	KPI 2.1 Average cost per presentation, awareness raising, consultation and networking activities

Key Effectiveness Indicator

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

The purpose of the Key Effectiveness Indicator is to report on the extent to which service providers are making changes to improve processes, practices and policies as a result of recommendations and agreed actions made by HaDSCO that arise from complaints. The table below represents the proportion of recommendations for service improvements implemented by service providers between 2013-14 and 2017-18.

In 2017-18, the Office exceeded the target which represents our strongest performance against this Indicator over the five year period. This is reflective of a desired outcome of the Office to ensure recommendations for systemic improvement are implemented by service providers for the benefit of the complainant and more broadly for individuals who access similar services in the future.

Key Effectiveness Indicator	2013-14	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
Proportion of recommendations resulting in implementation by providers	71%	64%	67%	72%	70%	83%

Key Efficiency Indicators

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

HaDSCO provides an impartial resolution service for complaints relating to health, disability and mental health services provided in Western Australia. HaDSCO delivers complaint management services, through assessment, negotiated settlement, conciliation and investigation of complaints. The Key Efficiency Indicator relating to the provision of this service focuses on the percentage of complaints closed within legislative timeframes and the average cost per finalised complaint.

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

In the management of complaints, HaDSCO works to statutory timeframes set out in the *Health and Disability Services (Complaints) Act 1995* and other enabling legislation. The table below represents the target and actual results for the legislative timeframes between 2013-14 and 2017-18:

Legislative requirement	Legislative timeframe (days)	2013-14	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
Preliminary assessment by Director s.34 (1)	28	92%	100%	98%	95%	95%	95%
Preliminary assessment by Director s.34 (1) (c)	56	86%	93%	97%	90%	90%	92%
Notice to provider and others s.35	14	89%	93%	93%	95%	95%	91%

In 2017-18, HaDSCO continued to implement a Complaint Handling Continuous Improvement Program (the Program) to provide more efficient and effective management of complaints. The Program includes strategies to streamline the intake, assessment and resolution of complaints.

HaDSCO met and exceeded the projected targets for the percentage of complaints assessed in 28 and 56 days respectively. Streamlined intake processed implemented as a result of the Program have assisted the Office to achieve these outcomes.

HaDSCO did not achieve its target for notifying providers of the complaint within the 14 day timeframe where a complaint was accepted into negotiated settlement, conciliation or investigation. Once a complaint is accepted into one of these processes, written notice of the decision must be given to the provider and any other person concerned within the 14 day timeframe.

In 2017-18, a small number of complaints did not have written notification given to the relevant parties within the required timeframe. This occurred due to administrative and process errors. Staff training measures have been put in place to ensure the process for complaint resolution as detailed in the *Health and Disability Services (Complaints) Act 1995* and by internal policies and procedures is adhered to at all times.

Key Efficiency Indicator 1.2: Average cost per finalised complaint

The purpose of the Key Efficiency Indicator is to demonstrate the average cost per finalised complaint. It provides information on how much each complaint costs when managed through the complaints process. HaDSCO forecasted that 2,812 complaints would be closed during the 2017-18 financial year. However, HaDSCO closed 2,775 complaints, which was marginally below the forecasted figure.

The table below demonstrates the average cost per complaint from 2013-14 to 2017-18:

2013-14	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
\$731	\$694	\$740	\$594	\$708	\$741

The average cost per finalised complaint is marginally above the 2017-18 target and above the cost per complaint in 2016-17. However, it is generally consistent with previous years. During 2017-18, there was a continued focus on reducing the number of aged cases. The allocation of resources to finalise these cases together with managing fluctuations in complaint numbers during the year impacted on the average cost.

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

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

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

The Key Efficiency Indicator relating to the provision of this service focuses on the average cost per presentation, awareness raising, consultation and networking activities.

Group one costs: Development, production and distribution of information

The group one costs relate to the resources that contribute to the development, production and distribution of information. Examples of work that contributed to this cost during 2017-18 included:

- Developing tailored resources for specific stakeholder groups to raise awareness of, and accessibility to, HaDSCO's services, utilising appropriate mechanisms to share this information. This included releasing four new tailored information sheets containing practical information about the nature of complaints we can receive about health, disability, mental health and prison health services.
- Preparing and distributing Report Cards to the five public Health Service Providers in WA Health, two private health service providers and the Department of Justice.
- Releasing the *Health Complaint Trends Report 2014-17* which provides an analysis of the complaint trends observed in the annual returns provided to HaDSCO through the data collection program under section 75 of the *Health and Disability Services (Complaints) Act 1995*.
- Releasing the *Disability Services Data Collection Program Report 2016-17* which provides an analysis of the complaint trends observed in the complaints data provided to

HaDSCO through the data collection program under section 48A of the *Disability Services Act 1993*.

- Distributing the *2016-17 Health Infographic* and *2016-17 Disability Services Data Collection Program Infographic*, created to provide the complaints information for the above reports in a visual format.
- Releasing the consultation paper on the implementation of the National Code of Conduct for health care workers in Western Australia.

The table below demonstrates group one costs for development, production and distribution of information from 2013-14 to 2017-18:

	2013-14	2014-15	2015-16	2016-17	2017-18
Group one costs: Development, production and distribution of information	\$282,183	\$327,709	\$412,419	\$358,198	\$420,282

The Group one cost was higher in 2017-18 than last year as there was a dedicated focus on the development and distribution of a range of new reporting publications.

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

The group two costs relate to the resources that contribute to presentations, awareness raising, consultations and networking. Examples of work that contributed to this cost in 2017-18 included:

- Planning and delivering metropolitan outreach, including participating in Homeless Connect, to raise awareness of HaDSCO's role and provide a mechanism through which disadvantaged individuals can access our services.
- Delivering tailored presentations in the area of prison health services, to Clinical Nurse Managers, the Nursing Group webinar, the Clinical Governance Advisory Committee, and the Office of the Inspector of Custodial Services Independent Visitors' Conference. In the area of mental health services, a presentation at the Western Australian Mental Health Conference and Awards.
- Consulting with members of the Mental Health Complaints Partnership Agreement, peak industry groups, and other key stakeholders on draft guidelines for handling complaints about mental health services.
- Planning and delivering regional outreach to the South West region to raise awareness of, and access to, HaDSCO's services.
- Visiting three metropolitan prisons as part of the Justice Health Project to participate in consumer and peer support consultation sessions, meet with peer support prisoners and clinical nurse managers to discuss issues relating to the provision of health services in prisons.
- Undertaking a range of consultations with various stakeholders to discuss issues associated with the implementation of the National Code of Conduct for health care workers in Western Australia.
- Participating in the Sustainable Health Review (SHR) Quality and Value Working Group, reporting to the SHR Panel on opportunities and strategies to enhance and improve safety, quality and value to support the medium and long term financial sustainability of the Western Australian health system.

The table below demonstrates group two costs for presentations, awareness raising, consultations and networking from 2013-14 to 2017-18:

	2013-14	2014-15	2015-16	2016-17	2017-18
Group two costs: Presentations, awareness raising, consultations and networking	\$430,679	\$452,323	\$618,629	\$537,297	\$405,957

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

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

HaDSCO forecasted that 200 engagement activities (presentation, awareness raising, consultation and networking activities) would be delivered during the 2017-18 financial year. In total, 159 engagement activities were delivered, which was below the target. As noted above, during 2017-18, there was a strong focus on developing and releasing a number of publications. Consequently resources were allocated to delivering outcomes for that priority which resulted in a reduction of resources available to deliver engagement activities. In addition, unlike during 2016-17, HaDSCO did not visit the Indian Ocean Territories, which accounted for a number of the engagement activities during 2016-17 when 211 engagement activities took place.

During 2017-18, the 159 engagement activities included:

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

The table below represents the average cost per presentation, awareness raising, consultation and networking activities from 2013-14 to 2017-18:

	2013-14	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
Average cost per presentation, awareness raising, consultation and networking activities	\$1,544	\$865	\$2,361	\$2,546	\$3,217	\$2,553

The average cost per presentation, awareness raising, consultation and networking activity was lower than anticipated based on the target not being achieved given the priority to develop a broader range of reporting publications. However, the result is comparable with the 2016-17 result.

4.5. Ministerial directives

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

4.6. Other financial disclosures

Pricing policy of services

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

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

Capital works

No capital works were undertaken during the 2017-18 reporting year.

Employment and Industrial Relations

Comparative full time equivalent (FTE) allocation by category

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

Category	2016-17	2017-18
Full-time (permanent)	12	9
Full-time (contract)	3	4
Part-time (permanent)	1	1
Part-time (contract)	2	2
Total	18	16

Industrial relations

HaDSCO employees are employed under the *Public Service and Government Officers CSA General Agreement 2017*. The Director is employed under the *Salaries and Allowances Tribunal Act 1975*.

Staff development

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

In the past 12 months, employees have completed specialised training in records management, first aid, adobe software and minute taking. This has been complemented by a number of information sessions provided by other government agencies, service providers and advocacy groups to increase awareness and understanding of contemporary issues and enhance complaint resolution services.

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

Leadership expertise has been enhanced by employee participation in the Policy Essentials program (Public Sector Commission).

Workers Compensation

In accordance with Treasurer's Instruction 903 (13iic), the Office had the following workers compensation disclosures in the 2017-18 reporting year.

Category	2016-17	2017-18
Workers' compensation claims	0	1
Lost time injuries	0	1

Purchasing cards

In accordance with Treasurer's Instruction 903 (13iv), there are no instances of a Western Australian Government Purchasing Card that has been used for a personal purpose for the 2017-18 reporting year.

4.7. Governance disclosures

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

Shares in Statutory Authorities

There are no shares held as a nominee or beneficially by a senior officer of HaDSCO in the 2017-18 reporting year.

Shares in subsidiary bodies

There are no shares in any subsidiary body of the agency held either as a nominee or beneficially by a senior officer of HaDSCO in the 2017-18 reporting year.

Insurance paid to indemnify directors

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

4.8. Other legal requirements

Advertising

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

The total expenditure for the 2017-18 reporting year was \$923.68 as detailed in the table below:

Item	Total	Expenditure	Amount
Advertising	\$704.36	Adcorp Australia Limited	\$704.36
Market research organisations	Nil	Nil	Nil
Polling organisations	Nil	Nil	Nil
Direct mail organisations	\$219.32	Campaign Monitor	\$9.32
		Survey Monkey	\$210

Compliance with Public Sector Standards

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

Monitoring provisions also include:

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

A range of policies were introduced in the previous reporting year and to build upon governance and accountability measures in the 2017-18 reporting year a Records Management Policy was introduced.

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

Applications for breach of standard and corresponding outcomes for 2017-18	
Number lodged	0
Number of breaches found	0
Number still under review	0

Freedom of information

The table below provides a summary of the applications finalised in the 2017-18 reporting year.

Applications	2016-17	2017-18
New applications received during the year	1	1
Finalised during the year	1	1
Average time to process (days)	26	44
Outcomes	2016-17	2017-18
Full access	0	0
Edited access	0	1
Deferred access	0	0
Section 26 Access	0	0
Section 28 access	0	0

Access refused	0	0
Total decisions	0	1
Transferred to other agencies	0	0
Withdrawn	1	0
Total applications	1	1

Record keeping plans

Records management was a focus of the 2017-18 reporting year. All staff have now received training in records management and the TRIM system and three staff have completed Administrator training to ensure compliance with requirements is enhanced. It is expected that the Office will review the Record Keeping Plan as part of the implementation of the National Code of Conduct for health care workers which is new legislation to be administered by the Office and broadens the scope and powers of the investigation function.

In accordance with the State Records Commission Standard 2, Record Keeping Plans (Principle 6):

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

Disability Access and Inclusion Plan

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

Being a Statutory Authority, the Health and Disability Services Complaints Office (HaDSCO) is not required to develop and implement a plan by law. However, HaDSCO considers it is important to develop and implement a DAIP that reflects our vision to empower the community and providers to collaboratively improve health, disability and mental health services, with an inclusive, highly engaged and accountable workforce.

The *Disability Services Act 1993 (WA amended 2004)*, *The Commonwealth Disability Discrimination Act (1992)* and *The Equal Opportunity Act (WA amended 1988)* are three key pieces of legislation which guide DAIP development and implementation to support the Department of Communities' vision to improve lives

and move us closer to an inclusive community for all. By addressing the seven outcome requirements, HaDSCO seeks to overcome access and inclusion barriers to promote independence and fulfilling participation in the community and workplace.

The following strategies were progressed in the 2017-18 reporting year:

- The Office completed the review and endorsed the Health and Disability Services Complaints Office Disability Access and Inclusion Plan 2018-2022.
- The Office engaged with advocacy and peak industry groups involved in providing services to people with disability to continue to strengthen awareness of our services.

4.9. Government policy requirements

Occupational Safety and Health

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

During this reporting year the Office:

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

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

Indicator	2015-16 Actual	2016-17 Actual	2017-18 Actual	Target	Comment
Number of fatalities	0	0	0	0	Target achieved
Lost time injury/disease (LTI/D) incidence rate	9.52%	0	1	0	Target not met
Lost time injury severity rate	0	0	0	0	Target achieved
Percentage of injured workers returned to work within 13 weeks	100%	Not applicable	Not applicable	Greater than or equal to 80%	Target exceeded

Percentage of injured workers returned to work within 26 weeks	100%	Not applicable	Not applicable	Greater than or equal to 80%	Target exceeded
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	75%	100%	80%	Greater than or equal to 80%	Target achieved

Substantive equality

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

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

In an effort to achieve this, the Office:

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