



Government of Western Australia
Department of Communities



Disability Services Commission

2018–19

Annual Report

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Statement of compliance



Hon Stephen Dawson MLC

Minister for Environment; Disability Services; Electoral Affairs.

For the year ended 30 June 2019

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the annual report of the Disability Services Commission for the financial year ended 30 June 2019.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

A handwritten signature in black ink, appearing to read 'Bruce Langoulant'.

Bruce Langoulant
Chairperson
Disability Services
Commission Board

11 September 2019

A handwritten signature in black ink, appearing to read 'Priya Cooper'.

Priya Cooper
Deputy Chairperson
Disability Services
Commission Board

11 September 2019

Accessibility statement

This annual report has been designed to make it accessible to as many people as possible. As a result, the report mainly uses 12pt font – the accessible minimum standard – which makes the document length greater than usual, and ensures that people with vision impairment and people who use screen readers are able to access it. The report is also available online in an accessible PDF format. Should an alternate format be required, this can be provided upon request.

Acknowledgement of country and peoples

We acknowledge the Aboriginal and Torres Strait Islander peoples as traditional custodians of this land and pay respect to Elders past, present and emerging.

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If you are deaf or have a hearing or speech impairment, contact us through the National Relay Service. For more information visit www.relayservices.gov.au

Overview

Chairperson's report

In 2018–19, the Board welcomed four new members: Michelle Quigley, Jaimen Hudson, Kerry Allan-Zinner and Terina Grace, and farewelled Russell Aubrey, Gavin Robins, Andrew Thompson and Anwen Handmer.

Importantly, the Board continues to connect with the community through reference network meetings and peak body forums. Board members also continue to strengthen their ties with members of the Ministerial Advisory Council for Disability to identify and collaborate on current disability issues.

As part of this, the Board has been monitoring the progress of transfer and transition to the Australia wide National Disability Insurance Scheme in Western Australia and is working with all stakeholders to ensure the best outcome for people with disability, their families and carers.

Looking ahead, the Board is playing an active role in the development of the State Disability Plan and is heavily involved in the consultation process as it occurs across the state.



Bruce Langoulant
Chairperson
Disability Services
Commission Board

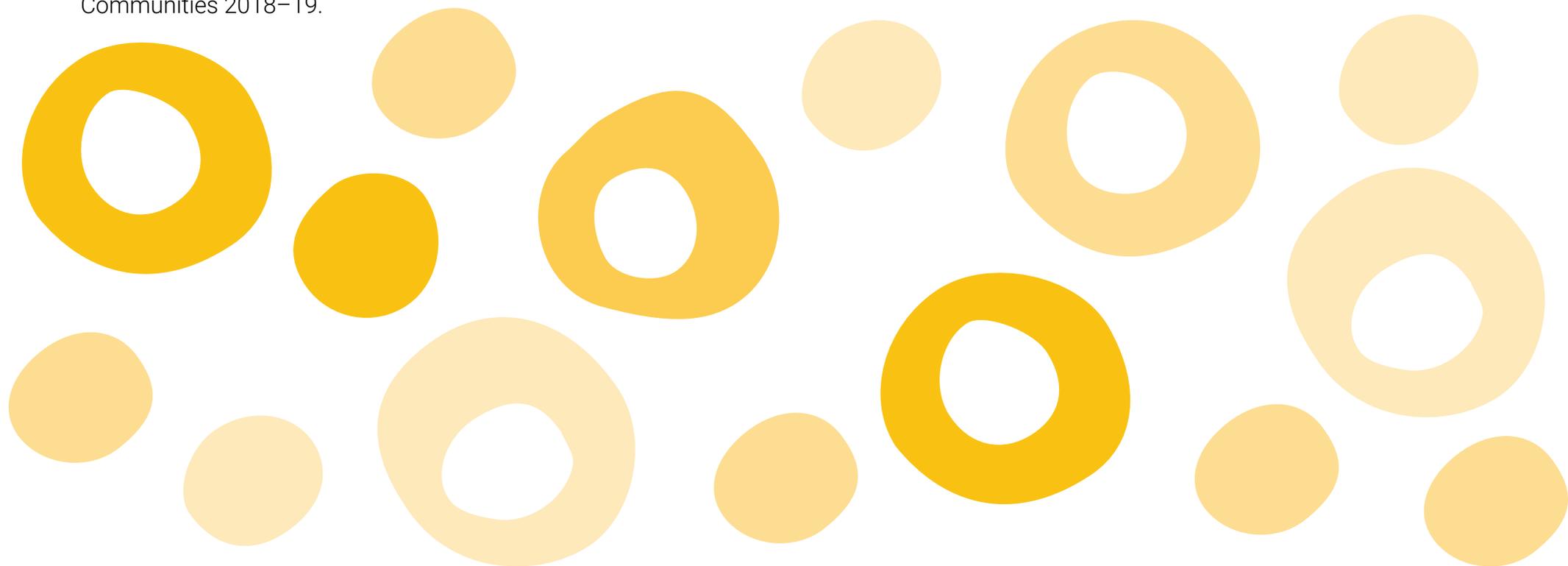
Executive summary

The Disability Services Commission joined the Department of Communities when it was established under the *Public Sector Management Act 1994* on 1 July 2017.

At that time, public sector officers employed by the Disability Services Commission were transferred to the new department. Disability Services Commission officers who are not public servants continue to be employed by the Disability Services Commission under the *Disability Services Act 1993*.

The Minister for Disability Services has given approval under section 10 of the *Disability Services Act 1993* for the Disability Services Commission to use the services of the Department of Communities.

The Disability Services Commission has specific reporting requirements in accordance with the *Financial Management Act 2006*, which are contained in this report. All other information for the financial year is contained in the annual report of the Department of Communities 2018–19.



Operational structure

Minister

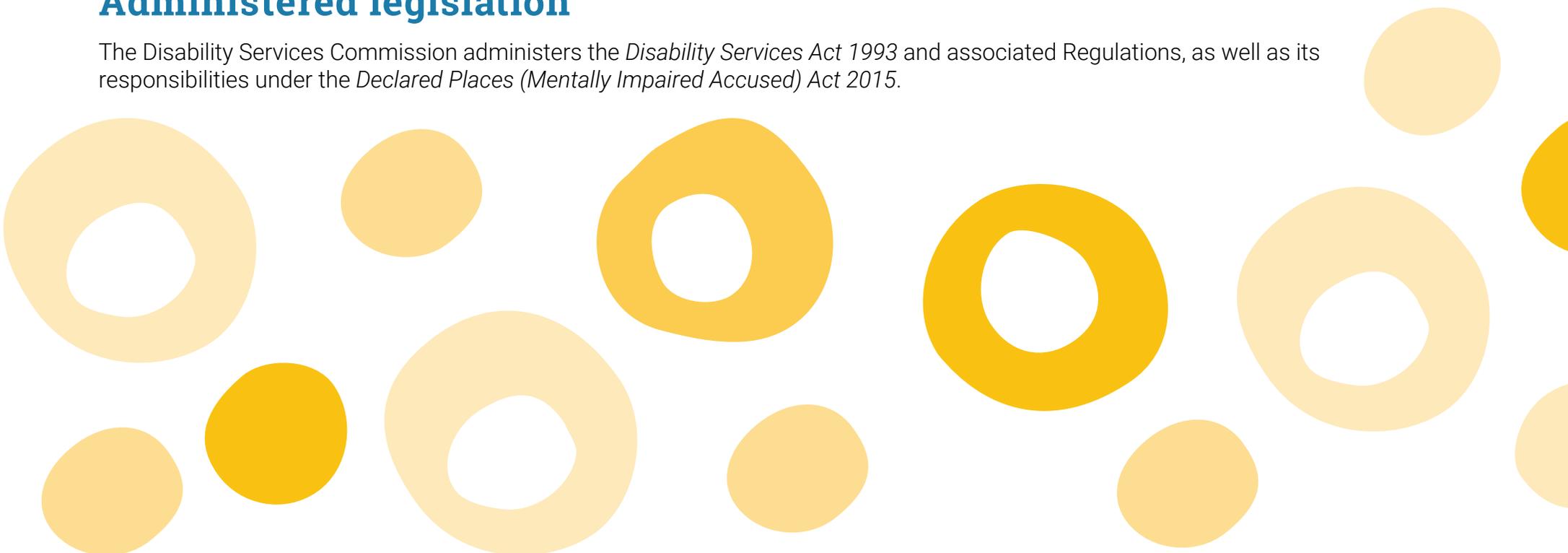
The Hon Stephen Dawson MLC, Minister for Environment; Disability Services; Electoral Affairs.

Enabling legislation

The Disability Services Commission was established under the *Disability Services Act 1993*, which identifies its primary functions as policy development, service provision, funding and accountability, promotion of equal access, community education and consumer advocacy.

Administered legislation

The Disability Services Commission administers the *Disability Services Act 1993* and associated Regulations, as well as its responsibilities under the *Declared Places (Mentally Impaired Accused) Act 2015*.



Statutory and advisory bodies

Figure 1: Disability Services Commission governance structure



Disability Services Commission Board

The Board is responsible for overseeing governance of the Disability Services Commission. The Board comprises nine members and has 11 scheduled meetings a year.

At least seven members of the Board are people with disability, have recent experience as a carer or are an advocate for people with disability, in accordance with the *Disability Services Act 1993*.

The Board takes an active role in maintaining an ongoing connection with the Western Australian community and in public engagement and inclusion initiatives. The Board also holds regular reference network meetings in regional and metropolitan locations to provide direct community access to senior representatives from the Department of Communities. People with disability, their families and carers, and service providers are welcomed to share their perspectives and raise any concerns at these meetings.

Board members

Bruce Langoulant (Chair)

Priya Cooper (Deputy Chair)

Melissa Northcott

Gabrielle Trenbath

Su-Hsien Lee (commenced December 2018)

Michelle Quigley (commenced December 2018)

Jaimen Hudson (commenced December 2018)

Kerry Allan-Zinner (commenced January 2019)

Terina Grace (commenced January 2019)

Andrew Thompson (end of term December 2018)

Russell Aubrey (end of term November 2018)

Gavin Robins (resigned December 2018)

Anwen Handmer (resigned November 2018)

Ministerial Advisory Council on Disability

People with disability, their families and carers have the opportunity to put forward concerns about disability issues to the Ministerial Advisory Council on Disability, an independent body appointed by the Minister for Disability Services.

The Council consults with the community and key stakeholders, including the Board Chair, Chief Executive Officer and Assistant Director General, and then provides advice to Government about major issues affecting people with disability, their families and carers. The Council directly advises the State Minister for Disability Services and indirectly advises the Commonwealth Minister for Social Services via the National Advisory Council on Disability and Carer Issues.

The Council comprises 16 members with skills, experience or knowledge associated with disability. The Council includes people with disability, their families and carers, service providers and advocates. The Chair of the Council sits on the Board of the Disability Services Commission.

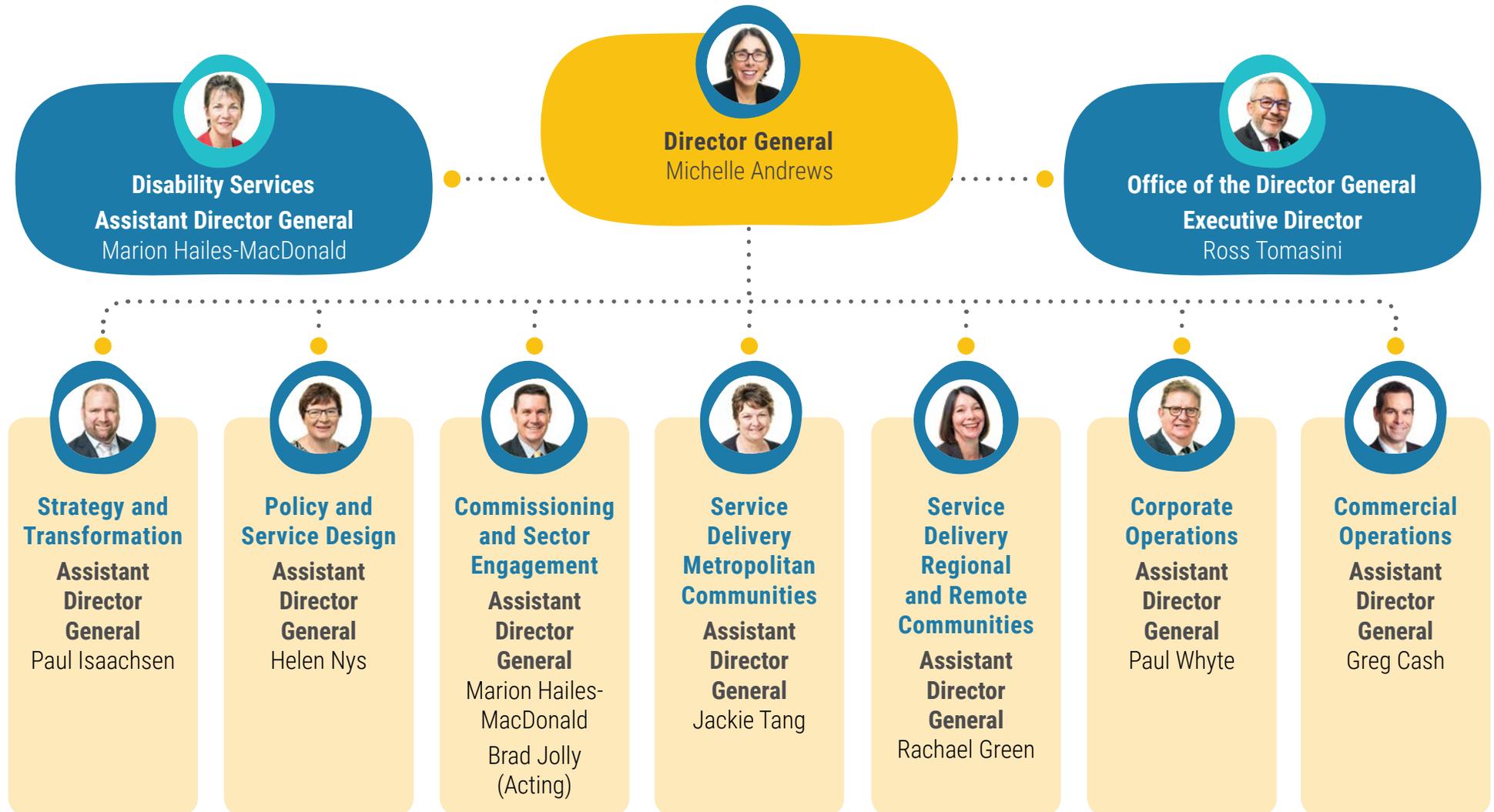
Organisational structure

The positions of Chief Executive Officer of the Disability Services Commission and Director General of the Department of Communities are held by the same officer, Michelle Andrews.

In addition to the staff directly employed by the Disability Services Commission (non-public servant officers, occupational groups including registered nurses, support workers and social trainers), the Chief Executive Officer uses the resources of the Department of Communities to perform the functions of the Disability Services Commission.

Department of Communities Corporate Structure

Figure 2: Department of Communities corporate structure



Agency performance

Report on operations

The activities of the Disability Services Commission have been reported in the Department of Communities Annual Report for 2018–19.

Expenses

The Disability Services Commission's expenditure during 2018–19 was \$1,260.46 million, representing a 22 per cent increase from the previous year. This increase is mainly attributable to the transition to a Commonwealth administered National Disability Insurance Scheme (NDIS) in Western Australia.

Consistent with the trend of recent years, 80 per cent of the Disability Services Commission's expenses (excludes contributions to the NDIS) were allocated to disability sector organisations for the provision of services to people with disability.

Measure	2016–17 (\$ million)	2017–18 (\$ million)	2018–19 (\$ million)	Change from 2017–18
Disability sector organisations' operations and services	\$697.55	\$788.74	\$746.63	-5%
Disability Services Commission operations and services	\$235.87	\$241.13	\$189.10*	-22%

* Disability Services Commission operations and services for 2018–19 excludes contributions to the NDIS.

Income

Income from the Commonwealth Government reported during 2018–19 was \$274.13 million, representing a 15 per cent increase from the previous year. This was as a result of the additional Commonwealth grants received due to the time taken to transition clients into the NDIS in Western Australia.

Income from the State Government reported during 2018–19 was \$926.95 million, an increase of 7 per cent from the previous year. This increase is primarily due to the State's contribution to the NDIS (\$73.7 million), Non-Government Human Services Sector (NGHSS) indexation (\$8 million), offset by the impact of the savings as a result of the Voluntary Targeted Separation Scheme.

During 2018–19, income from other sources was \$41.46 million, representing a 14 per cent decrease from the previous year. This is mainly attributable to the decrease in the recoup of previous years' funding for undelivered services from disability sector organisations.

Three-year trend

Measure	2016–17 (\$ millions)	2017–18 (\$ millions)	2018–19 (\$ millions)	Change from 2017–18
Total expenditure	\$933.42	\$1,029.87	\$1,260.46	22%
Income from the Commonwealth Government	\$190.55	\$238.64	\$274.13	15%
Income from the State Government	\$714.59	\$866.84	\$926.95	7%
Income from other sources	\$31.45	\$47.94	\$41.46	(14%)

Funding to disability sector organisations

A total of 233 disability sector organisations received funding from the Disability Services Commission in 2018–19, compared with 210 in 2017–18.

Funding amount	2017–18	2018–19
< \$1 million	133	148
\$1,000,001 – \$5 million	42	55
\$5,000,001 – \$20 million	24	21
> \$20 million	11	9
Total	210	233

Key performance indicators summary

Table 1: Summary of outcomes and effectiveness key performance indicators for 2018–19

Indicator	Target ⁽¹⁾	Actual	Explanation of significant variance
Outcomes and effectiveness indicators			
Outcome⁽²⁾ – People with disability have choice and control in determining services that meet individual needs.			
Percentage of service users who achieve their individual plan outcomes.	80%	77%	
Satisfaction with individualised planning process.	N/A	N/A	As of 2018–2019, the WA NDIS Consumer Satisfaction Survey is no longer available due to the impact of the transfer and transition of individuals to the Commonwealth-administered NDIS. As a result, this indicator cannot be reported. An exemption to reporting this indicator result was obtained from the Under Treasurer in February 2019.
Outcome⁽²⁾ – The quality of life of people with disability is enhanced.			
Proportion of quality evaluations which meet national standards.	90%	88%	
Satisfaction with service received.	78%	80%	
Proportion of the population in need who receive services.	70%	59%	The result is lower than target due to the delayed rate of transfer and transition of individuals from the State to the Commonwealth-administered NDIS. This resulted in a higher than expected target population.
Outcome⁽²⁾ – People with disability have the opportunity to participate in community life.			
Proportion of service users who achieve community participation outcomes.	77%	74%	
Service users' satisfaction with community access and inclusion.	75%	73%	

Notes:

(1) The targets are as per the 2017–18 Western Australian State Budget Paper No.2 (Volume 2, Part 8).

(2) Further details on the indicators are contained in the Disclosures and Legal Compliance section of this report.

Table 2: Summary of services and efficiency key performance indicators for 2018–19

Efficiency Indicator	Target ⁽¹⁾	Actual	Explanation of significant variance
Services and efficiency indicators			
Service 11⁽²⁾ – Planning and coordination for people with disability.			
Proportion of individual plans commenced within the required timeframe.	70%	86%	Actual higher than target due to ensuring continuity of services during the transfer and transition to the Commonwealth-administered NDIS (NDIA). A greater proportion of plans and reviews were conducted within target timeframes to ensure continuity of service.
Average cost per intensity of individual support requirements.	\$1,545	\$1,386	Average cost was lower than target as the number of individuals receiving services remained consistent despite a decrease in expenditure.
Service 12⁽²⁾ – Residential services for people with disability.			
Average cost per intensity of individual support requirements.	\$62,417	\$112,261	Average cost was higher than target as a result of a disability sector organisation restructuring a number of its service outlets from small residential outlets to group homes. This led to a shift in the number of individuals from residential services to community living support.
Average cost per service activity.	\$162,895	\$290,095	
Services and efficiency indicators			
Service 13⁽²⁾ – Community living support for people with disability.			
Average cost per intensity of individual support requirements.	\$58,021	\$58,629	
Average cost per service activity.	\$133,482	\$144,046	
Service 14⁽²⁾ – Independent living support for people with disability.			
Average cost per intensity of individual support requirements.	\$14,693	\$17,598	Average cost was above target due to the delayed rate of transfer of individuals to the NDIA.
Cost per service activity.	\$24,343	\$30,542	

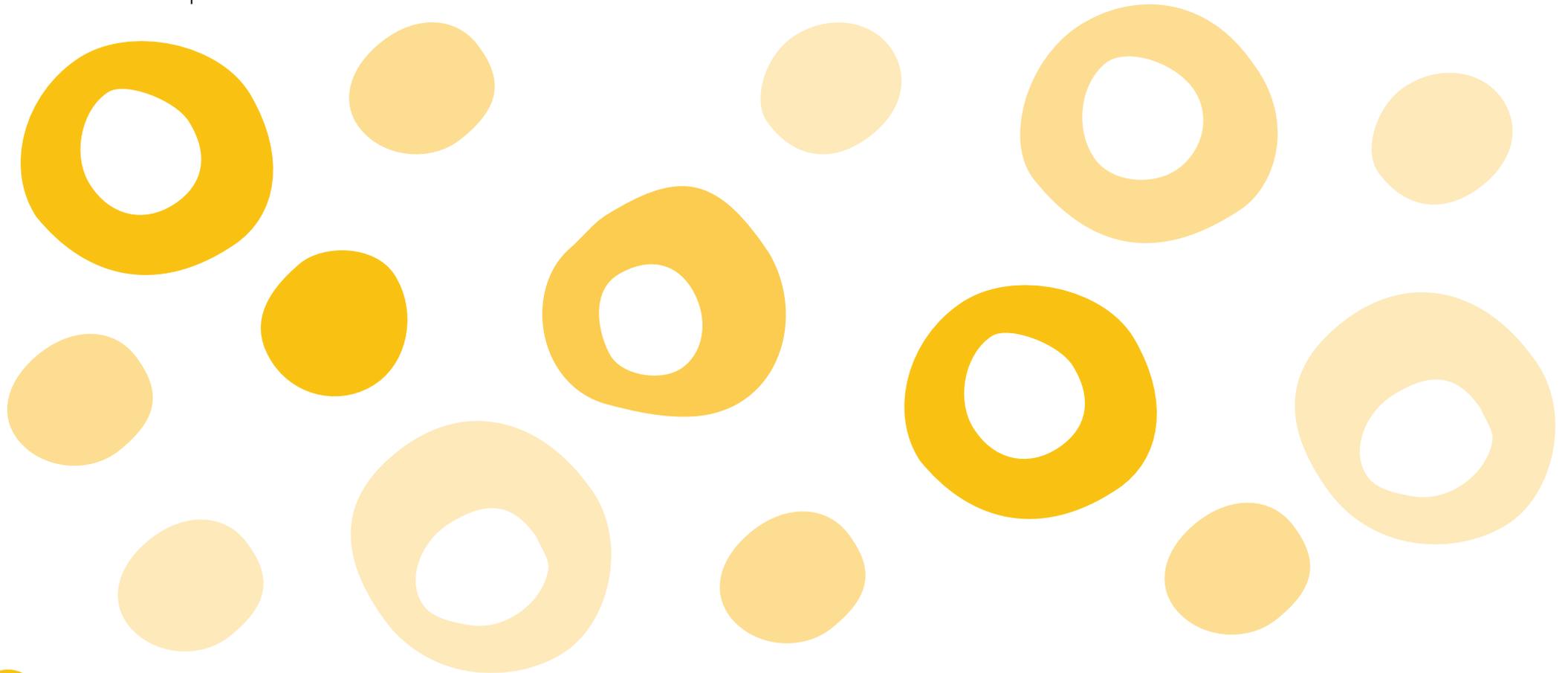
Efficiency Indicator	Target ⁽¹⁾	Actual	Explanation of significant variance
Service 15⁽²⁾ – Therapy and specialised care for people with disability.			
Average cost per intensity of individual support requirements.	\$3,263	\$5,525	Average cost was above target due to the delayed rate of transfer of individuals to the NDIA.
Average cost per service activity.	\$4,994	\$7,733	
Service 16⁽²⁾ – Community participation for people with disability.			
Average cost per intensity of individual support requirements.	\$5,407	\$8,440	Average cost was above target due to the delayed rate of transfer of individuals to the NDIA.
Average cost per service activity.	\$7,314	\$11,743	
Service 17⁽²⁾ – Advocacy, access and inclusion for people with disability.			
Average cost per service activity.	\$23,727	\$114,203	Average cost was above target due to the Commonwealth funded Information, Linkages and Capacity Building Grants not being included in the target, as the funds were received post budget. State funded Sector Transition Fund Grants were also spread across service areas in the budget instead of being fully allocated against the advocacy, access and inclusion service.
Proportion of access, inclusion and advocacy projects completed within the required time.	89%	91%	

Notes:

- (1) The targets are as per the 2018–19 Western Australian State Budget Paper No.2 (Volume 2, Part 8).
- (2) Further details on the indicators are contained in the Disclosures and Legal Compliance section of this report.

Significant issues impacting the agency

The significant issues impacting the Disability Services Commission are reported in the Department of Communities 2018–19 Annual Report.



Disclosures and legal compliance

Performance management framework

The Disability Services Commission's performance management framework is reported in the Department of Communities 2018–19 Annual Report.

Financial performance summary

The Disability Services Commission's financial performance summary is reported in the Department of Communities 2018–19 Annual Report.

Auditor General's opinion



Auditor General

Independent auditor's report

To the Parliament of Western Australia

Disability Services Commission

Report on the Financial Statements

Opinion

I have audited the financial statements of the Disability Services Commission which comprise the Statement of Financial Position as at 30 June 2019, 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 Disability Services Commission for the year ended 30 June 2019 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 commission 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 Board for the Financial Statements

The Board 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 Board 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 Board 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 commission.

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 Board.
- Conclude on the appropriateness of the Board'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 Board 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 Disability Services Commission. The controls exercised by the commission are those policies and procedures established by the Board 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 Disability Services Commission 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 2019.

The Board's Responsibilities

The Board 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 Disability Services Commission for the year ended 30 June 2019. 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 Disability Services Commission are relevant and appropriate to assist users to assess the commission's performance and fairly represent indicated performance for the year ended 30 June 2019.

The Board's Responsibility for the Key Performance Indicators

The Board 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 Board 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 Board 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 Disability Services Commission for the year ended 30 June 2019 included on the commission's website. The commission's management is responsible for the integrity of the commission's website. This audit does not provide assurance on the integrity of the commission'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.



Caroline Spencer
Auditor General
for Western Australia
Perth, Western Australia

13 September 2019

Financial statements

Certification of financial statements

For the reporting period ended 30 June 2019

The accompanying financial statements of the Disability Services Commission 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 2019 and the financial position as at 30 June 2019.

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



Bruce Langoulant
Chairperson
Disability Services
Commission Board

11 September 2019



Gabrielle Trenbath
Disability Services
Commission Board

11 September 2019



Liam Carren
Chief Financial Officer

11 September 2019

Statement of Comprehensive Income

For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Cost of services			
Expenses			
Employee benefits expense	6	125,500	162,128
Supplies and services	8	20,725	28,051
Depreciation and amortisation expense	9	5,326	5,606
Accommodation expenses	10	7,506	10,899
Expenditure on services provided by funded agencies		746,633	788,738
Individual funding and other grants		26,254	31,989
Contribution to National Disability Insurance Scheme (NDIS)	11	324,723	–
Loss on disposal of non-current assets	17	389	129
Other expenses	12	3,404	2,334
Total cost of services		1,260,460	1,029,874
Income			
Revenue			
User charges and fees	14	13,632	3,355
Commonwealth grants and contributions	15	274,131	238,643
Other revenue	16	27,828	44,579
Total revenue		315,591	286,577
Total income other than income from State Government		315,591	286,577
Net cost of services		944,869	743,297
Income from State Government	18		
Service appropriation		921,863	860,989
Services received free of charge		5,019	5,782
Royalties for Regions Fund		65	65
Total income from State Government		926,947	866,836
Surplus/(Deficit) for the period		(17,922)	123,539
Other comprehensive income			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	29	147	(225)
Total other comprehensive income		147	(225)
Total comprehensive income for the period		(17,775)	123,314

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.
Refer to [Note 41](#) for 'Schedule of Income and Expenses by Service'.

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	30	101,795	94,569
Restricted cash and cash equivalents	19,30	912	2,189
Receivables	20	28,188	30,306
Other current assets	22	14,521	14,418
Total current assets		145,416	141,482
Non-current assets			
Restricted cash and cash equivalents	19,30	1,729	1,600
Amounts receivable for services	21	64,695	58,618
Property, plant and equipment	23	32,740	36,302
Intangible assets	25	3,580	4,851
Total non-current assets		102,744	101,371
Total assets		248,160	242,853
Liabilities			
Current liabilities			
Payables	27	31,581	8,556
Provisions	28	13,803	13,699
Total current liabilities		45,384	22,255
Non-current liabilities			
Provisions	28	895	942
Total non-current liabilities		895	942
Total liabilities		46,279	23,197
Net assets		201,881	219,656
Equity			
Contributed equity	29	53,735	53,735
Reserves		41,287	41,140
Accumulated surplus		106,859	124,781
Total equity		201,881	219,656

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

Statement of Changes in Equity

For the year ended 30 June 2019

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated surplus/ (deficit) \$'000	Total equity \$'000
Balance at 1 July 2017	29	33,428	41,365	1,242	76,035
Surplus		—	—	123,539	123,539
Other comprehensive income		—	(225)	—	(225)
Total comprehensive income for the period		—	(225)	123,539	123,314
Transactions with owners in their capacity as owners:					
Capital appropriations		772	—	—	772
Other contributions by owners – transfer of leave liability to Department of Communities		19,535	—	—	19,535
Total		20,307	—	—	20,307
Balance at 30 June 2018		53,735	41,140	124,781	219,656
Balance at 1 July 2018		53,735	41,140	124,781	219,656
Deficit		—	—	(17,922)	(17,922)
Other comprehensive income		—	147	—	147
Total comprehensive income for the period		—	147	(17,922)	(17,775)
Transactions with owners in their capacity as owners:					
Capital appropriations		—	—	—	—
Other contributions by owners		—	—	—	—
Total		—	—	—	—
Balance at 30 June 2019		53,735	41,287	106,859	201,881

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

Statement of Cash Flows

For the year ended 30 June 2019

	Note	2019 \$'000 Inflows (Outflows)	2018 \$'000 Inflows (Outflows)
Cash flows from State Government			
Service appropriations		915,581	854,707
Capital appropriations		–	772
Holding account drawdown		205	4,110
Royalties for Regions Fund		65	65
Net cash provided by State Government		915,851	859,654
Utilised as follows:			
Cash flows from operating activities			
Payments			
Employee benefits		(125,358)	(163,327)
Supplies and services		(33,318)	(42,785)
Payments for services provided by funded agencies		(746,633)	(788,738)
Individual funding and other grants		(26,254)	(31,989)
Payments to NDIS		(295,282)	–
Receipts paid into Consolidated Account		–	(21,384)
GST payments on purchases		(79,031)	(82,609)
GST payments to taxation authority		(5,058)	(2,289)
Receipts			
User charges and fees		13,685	3,336
Commonwealth grants and contributions		287,965	224,809
GST receipts on sales		5,505	3,357
GST receipts from taxation authority		79,472	81,247
Other receipts		15,269	33,397
Net cash used in operating activities	30	(909,038)	(786,975)
Cash flows from investing activities			
Payments			
Purchase of non-current assets		(744)	(2,840)
Receipts			
Proceeds from sale of non-current assets		9	–
Net cash used in investing activities		(735)	(2,840)
Net increase in cash and cash equivalents		6,078	69,839
Cash and cash equivalents at the beginning of period		98,358	28,519
Cash and cash equivalents at the end of period	30	104,436	98,358

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

Notes to the Financial Statements

For the year ended 30 June 2019

1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2019 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instructions (TI) 1101 'Application of Australian Accounting Standards and Other Pronouncements'. There has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not yet operative) by the Commission for the annual reporting period ended 30 June 2019.

2. Summary of significant accounting policies

(a) General statement

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

The *Financial Management Act 2006* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land and buildings, which have been measured at fair value.

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

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

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

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

(c) Reporting entity

The reporting entity comprises the Commission.

(d) Contributed equity

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

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

(e) Income

Revenue recognition

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

Service appropriations

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

Grants, donations and other non-reciprocal contributions

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

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

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Commission obtains control over the funds. The Commission obtains control of the funds at the time the funds are deposited into the Commission's bank account.

Recoups and return of surplus grants from service providers

The Commission provides funding to Disability Sector Organisations (DSOs) to deliver services to people with disability. An acquittal of funds provided to DSOs is conducted annually and

recovery is then initiated to recover undelivered services in line with the Service Agreement Compliance and Reconciliation guidelines. Upon the Assistant Director General's approval, invoices are raised to recover the value of the undelivered services.

(f) Property, plant and equipment

Capitalisation/expensing of assets

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

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost. For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of land and buildings and historical cost for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation (buildings only) and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined based on current market values

determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

In the absence of market-based evidence, fair value of land and buildings is determined based on existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Where the fair value of buildings is determined on the current replacement cost basis, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets on a class of assets basis.

Depreciation

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

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

Buildings	40 years
Computing, office and other equipment	5 years
Medical equipment	10 years
Plant and equipment	10 years
Leasehold improvements	3 to 10 years
Motor vehicle	5 years

Land is not depreciated.

(g) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$5,000 or more

that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale
- b) an intention to complete the intangible asset, and use or sell it
- c) the ability to use or sell the intangible asset
- d) the intangible asset will generate probable future economic benefit
- e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Cost incurred in the research phase of a project is immediately expensed. The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life, which is reviewed annually) on the straight-line basis.

All intangible assets controlled by the Commission have a finite useful life and zero residual value.

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

Software ^(a)	5 years
-------------------------	---------

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

Computer software

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

(h) Impairment of assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated,

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

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

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

(i) Leases

The Commission has entered into many operating lease arrangements for its motor vehicle fleet and building leases where the lessor effectively retains all of the risks and benefits incident to ownership of the items held under the operating leases.

Operating leases are expensed on a straight-line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

The Commission has no finance lease commitments.

(j) Financial instruments

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

- Financial assets measured at amortised costs
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Restricted cash and cash equivalents
 - Receivables
 - Amounts receivable for services
- Financial Liabilities
 - Payables.

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

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

(k) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and cash at bank.

(l) Accrued salaries

Accrued salaries (see [Note 27](#) 'Payables') represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

(m) Amounts receivable for services (holding account)

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

(n) Receivables

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

For trade receivables, the Commission applies a simplified approach in calculating expected credit losses expenses (ECL). Therefore, the Commission does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Commission has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment.

(o) Payables

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

(p) Provisions

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

(i) Provisions – employee benefits

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

Annual leave

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

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

government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

Long service leave

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

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

Unconditional long service leave provisions are classified as current liabilities as the Commission 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 Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

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

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

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

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

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

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

(ii) Provisions – other

Employment on-costs

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

(q) Superannuation expense

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

(r) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost that the Commission would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

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

(s) Comparative figures

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

3. Judgements made by management in applying accounting policies

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

Operating lease commitments

The Commission has entered a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined

that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

4. Key sources of estimation uncertainty

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

Long service leave

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

5. Future impact of Australian Accounting Standards not yet operative

The Commission 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 Agency plans to apply the following Australian Accounting Standards from their application date.

Title

Operative for reporting periods beginning on/after

1 Jan 2019

AASB 15
Nature of change

Revenue from contracts with customers

This Standard establishes the principles that the Commission shall apply to report useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory effective date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.

Impact

The Commission's income is primarily derived from appropriations, which will be measured under AASB 1058 and thus will not be materially affected by this change. Although the recognition of 'user' charges and fees' and 'sales' revenues will be deferred until the agency has discharged its performance obligations, these revenues are expected to be fully recognised at year-end and no contract liability will exist.

Transition

The Commission will adopt the modified retrospective approach on transition to AASB 15. No comparative information will be restated under this approach, and the agency will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.

Title

Operative for
reporting periods
beginning
on/after

1 Jan 2019

AASB 16 Nature of change

Leases

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.

Impact

The recognition of additional assets and liabilities, mainly from operating leases, will be estimated to be increased the Commission's total assets by \$12.659 million and total liabilities by \$12.659 million. This will have an equity impact of \$0 million on 1 July 2019. In addition, interest and depreciation expenses will increase, offset by a decrease in rental expense for the year ending 30 June 2020 and beyond.

The above assessment is based on the following accounting policy positions:

- option 1/option 2 of the modified retrospective approach on transition
- the 'low value asset' threshold set at AUD \$5,000 (unless GROH, GOA or State Fleet)
- for leases classified as 'short term' (12 months or less), these are not recognised under AASB 16 (unless GROH, GOA or State Fleet)
- land, buildings and investment property Right-of-Use (ROU) assets are measured under the cost model, subsequent to initial recognition
- discount rates are sourced from WA Treasury Corporation (WATC).

Transition

The Commission will adopt the modified retrospective approach on transition to AASB 16. No comparative information will be restated under this approach, and the Commission will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.

AASB 1058 Nature of change

Income of not-for-profit entities

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 Commission.

1 Jan 2019

Title

Operative for reporting periods beginning on/after

AASB 1058 Impact AASB 1058 will have no impact on appropriations and recurrent grants received by the Commission – they will continue to be recognised as income when funds are deposited in the bank account or credited to the holding account.

Transition The Commission will adopt the modified retrospective approach on transition to AASB 1058. No comparative information will be restated under this approach, and the Commission will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.

AASB 2016-8 Amendments to Australian Accounting Standards – Australian implementation guidance for not-for-profit entities 1 Jan 2019
Nature of change 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.

AASB 2018-4 Amendments to Australian Accounting Standards – Australian implementation guidance for not-for-profit public sector licensors 1 Jan 2019
Nature of change This Standard amends AASB 15 to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors to transactions involving the issue of licenses. There is no financial impact as the Commission does not issue licenses.

AASB 2018-7 Amendments to Australian Accounting Standards – definition of material 1 Jan 2020
Nature of change This Standard clarifies the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. There is no financial impact.

AASB 2018-8 Amendments to Australian Accounting Standards – right-of-use assets of not-for-profit entities 1 Jan 2019
Nature of change This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives.
Impact The Commission will elect to apply the option to measure right-of-use assets under peppercorn leases at cost (which is generally about \$1). As a result, the financial impact of this Standard is not material.

6. Employee benefits expense

	2019 \$'000	2018 \$'000
Wages and salaries ^(a)	116,475	138,443
Termination benefits	–	10,724
Superannuation – defined contribution plans ^(b)	9,025	12,961
	125,500	162,128

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component. Department of Communities \$0 million (2017–18: \$1.04 million) and Housing Authority \$0 million (2017–18: \$0.459 million).

(b) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESB Super Scheme) and other eligible funds. Amount paid to GESB is \$6.744 million, (2017–18: \$10.849 million).

Employment on-costs expenses such as workers' compensation insurance are included at [Note 12](#) 'Other expenses'.

Employment on-costs liability is included at [Note 28](#) 'Provisions'.

7. Key management personnel

The Commission has determined that key management personnel include Ministers, members of the accountable authority and other Senior Officers of the Commission. However, the Commission is not obligated to compensate the responsible Ministers and, therefore, disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

Total compensation for key management personnel comprising members of the accountable authority and other senior officers of the Commission for the reporting period are presented within the following bands:

Compensation of members of the accountable authority⁽²⁾

Compensation band (\$)	2019	2018
0 – 10,000	9	5
10,001 – 20,000	3	3
40,001 – 50,000	1	1
	13	9

Compensation of other senior officers⁽¹⁾⁽³⁾

120,001 – 130,000	–	1
190,001 – 200,000	–	1
201,001 – 210,000	1	–
210,001 – 220,000	–	1
460,001 – 470,000	–	1
	1	4

	\$'000	\$'000
Short-term employee benefits	293	588
Post-employment benefits	29	61
Other long-term benefits	21	40
Termination benefits	–	419
Total compensation of key management personnel	343	1,108

Total compensation includes the superannuation expense incurred by the Commission in respect of key management personnel.

- (1) Where the key management person performs services across the Department of Communities, Disabilities Service Commission and Housing Authority, the person's compensation is included in the Department of Communities Annual Report.
- (2) The number of Board members in 2018–19 was higher due to the resignation/retirement of four board members during the financial year. The compensation for the four resigned/retired members and their replacements are included in this reporting period.

(3) The three Senior Officers previously reported as part of Disability Services Commission in 2017–18 will be included in the Department of Communities and Housing Authority's Annual Reports.

8. Supplies and services

	2019 \$'000	2018 \$'000
Communications	1,244	1,752
Consultants and contractors ^(a)	11,236	16,242
Consumables	4,343	5,644
Repairs and maintenance	604	576
Lease rentals (motor vehicles) ^(b)	2,125	1,916
Travel	454	647
Other	719	1,274
	20,725	28,051

(a) Department of Communities \$6.574 million (2017–18: \$0.330 million), Department of Social Services \$0.48 million (2017–18: \$0 million) and Housing Authority \$0 million (2017–18: \$0.164 million).

(b) Department of Finance \$1.368 million (2017–18: \$1.800 million) and Department of Transport \$0.185 million (2017–18: \$0.117 million).

9. Depreciation and amortisation expense

	2019 \$'000	2018 \$'000
Depreciation		
Buildings	289	291
Plant and equipment	25	28
Computer equipment	1,824	1,931
Medical equipment	11	13
Motor vehicles	18	3
Office equipment	78	95
Leasehold improvements	1,451	1,708
Total depreciation	3,696	4,069
Amortisation		
Intangible assets	1,630	1,537
Total amortisation	1,630	1,537
Total depreciation and amortisation	5,326	5,606

10. Accommodation expenses

	2019 \$'000	2018 \$'000
Lease rentals ^(a)	5,725	8,262
Repairs and maintenance	1,225	2,006
Cleaning	307	338
Other	249	293
	7,506	10,899

(a) Department of Finance \$5.308 million (2017–18: \$6.813 million), Department of Communities \$0 million (2017–18: \$0.528 million) and Housing Authority \$0.451 million (2017–18: \$0.573 million).

11. Contribution to the NDIS

	2019 \$'000	2018 \$'000
Intergovernmental payments ^(a)	55,500	–
WA government payments to NDIS ^(a)	269,223	–
	324,723	–

(a) This reflects the Commission's contribution to the NDIA, which operates the NDIS. The Commission and other State departments also provide in-kind contributions through existing programs.

Includes \$99.6 million paid in 2018–19 to the NDIA for transfer of existing State clients to NDIS relating to 2017–18. This amount has been charged this year as reliable information was not available to provide a reasonable estimate in 2017–18.

12. Other expenses

	2019 \$'000	2018 \$'000
Insurance	286	327
Doubtful debts	–	41
Expected credit losses expense	25	–
Employment on-costs (Workers Compensation Insurance) ^(a)	3,087	1,946
Other	6	20
	3,404	2,334

(a) Riskcover \$3.087 million (2017–18: \$1.946 million).

13. Related party transactions

The Commission is a wholly-owned and controlled entity of the State of Western Australia.

Related parties of the Commission include:

- all Ministers and their close family members, and their controlled or jointly-controlled entities
- all senior officers and their close family members, and their controlled or jointly-controlled entities
- other departments and public sector entities, including related bodies included in the whole-of-government consolidated financial statements
- associates and joint ventures of a wholly-owned public sector entity
- the Government Employees Superannuation Board.

Significant transactions with government related entities

In conducting its activities, the Commission 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. Such transactions include:

- Employee benefits expense ([Note 6](#))
- Supplies and services ([Note 8](#))
- Accommodation expenses ([Note 10](#))
- Expenditure on services provided by funded agencies^(a)
- Other expenses ([Note 12](#))
- Other revenue from Department of Health ([Note 16](#))
- Service appropriations ([Note 18](#))
- Services received free of charge ([Note 18](#))

- Royalties for Regions Fund (RfR) ([Note 18](#))
 - Receivables ([Note 20](#))
 - Other current assets ([Note 22](#))
 - Payables ([Note 27](#))
 - Equity ([Note 29](#))
 - Remuneration for services provided by the Auditor General ([Note 37](#)).
- (a) WA Country Health Service \$2.124 million (2017–18: \$2.655 million), East Metropolitan Health Service \$1.358 million (2017–18: \$1.696 million), North Metropolitan Health Service \$1.416 million (2017–18: \$1.483 million) and South Metropolitan Health Service \$1.102 million (2017–18: \$1.214 million).

Material transactions with related parties

During the year, the Commission has made payments for individual services through disability service provider panel contracts. Material related party transactions have been identified as follows:

- \$48.4 million (2017–18: \$52.9 million) and \$0.523 million (2017–18: \$0.697 million) to Ability Centre and WA Disabled Sports Association respectively. Both entities are related parties of Board Member Priya Cooper. Also Ability Centre is a related party of Board Member Melissa Northcott.
- \$32.2 million (2017–18: \$35.03 million) to Avivo, which is a related party of Board Member Gabrielle Trenbath.
- \$0.046 million (2017–18: \$0.209 million) payment to disability service providers to provide services to a family member of the Board Chair.
- \$0 million (2017–18: \$0.207 million) to Black Swan Health and \$0 million (2017–18: \$28.9 million) to Therapy Focus. Both entities were related parties of former Board member Julie Carr in 2017–18.

All other transactions (including general citizen type transactions) between the Commission and Ministers/Senior Officers or their close family members or their controlled (or jointly-controlled) entities are not material for disclosure.

Material transactions with other related parties

- Superannuation payments to GESB ([Note 6](#)).

14. User charges and fees

	2019 \$'000	2018 \$'000
Board and lodging	13,632	3,355
	13,632	3,355

15. Commonwealth grants and contributions

	2019 \$'000	2018 \$'000
National Disability Agreement	182,465	142,339
National Partnership Payments – Home and Community Care (HACC)	4,061	5,747
National Partnership Payments – Pay Equity	50,545	15,726
National Partnership Payments – transition to National Disability Insurance Scheme (NDIS) in WA	–	70,838
Commonwealth contribution specialist Disability Services	27,262	–
Commonwealth Contribution – Information Linkages and Capacity Building	9,717	–
Other	81	3,993
	274,131	238,643

16. Other revenue

	2019 \$'000	2018 \$'000
Recoup from National Disability Insurance Agency (NDIA) for DSC Accommodation Services provided in Perth Hills Department of Health – HACC and Community Aids and Equipment Program (CAEP)	–	11,670
Executive vehicle scheme contribution	72	88
Government Regional Officers' Housing (GROH) – employee contribution	148	199
Recoups and return of surplus grants from service providers	23,492	25,766
Other	3,528	4,928
	27,828	44,579

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

	2019 \$'000	2018 \$'000
Proceeds from disposal of non-current assets		
Land, plant, equipment, buildings and software	9	–
Carrying amount of non-current assets disposed		
Land, plant, equipment, buildings and software	(398)	(129)
Net loss	(389)	(129)

18. Income from State Government

	2019 \$'000	2018 \$'000
Appropriation received during the period:		
Service appropriation ^(a)	921,863	860,989
	921,863	860,989
Services received free of charge from other State Government agencies during the period:		
Child and Adolescent Health Service – paediatric service	2,877	3,070
North Metropolitan Health Service – dental treatment	1,568	1,805
State Solicitor's Office – legal service	15	67
Department of Finance – accommodation service	559	539
Department of Communities – leave transfer	–	301
	5,019	5,782
Royalties for Regions Fund – Regional Community Services Account ^(b) – Department of Primary Industries and Regional Development	65	65
	926,947	866,836

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

(b) The Regional Community Services Account is a sub-fund within the overarching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as revenue when the Commission gains control on receipt of the funds.

19. Restricted cash and cash equivalents

	2019 \$'000	2018 \$'000
Current		
Other	912	2,189
	912	2,189
Non-current		
27th pay provision ^(a)	1,729	1,600
	1,729	1,600

(a) Funds set aside for the 27th pay in 2027–28.

20. Receivables

	2019 \$'000	2018 \$'000
Current		
Receivables ^(a)	25,958	20,012
Allowance for impairment of receivables	(122)	(97)
Accrued revenue	213	7,364
GST receivable	2,139	3,027
	28,188	30,306

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

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period	97	56
Doubtful debts expense	–	41
Expected credit losses expense	25	–
Balance at end of period	122	97

The maximum exposure to credit risk at the end of the reporting period for receivables is the carrying amount of the asset inclusive of any allowances for impairment as shown in the table at [Note 35\(c\)](#) 'Financial instrument disclosures'.

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

(a) Department of Justice \$0.108 million (2017–18: \$0.117 million), Department of Communities \$0.095 million (2017–18: \$0.058 million), and RiskCover \$ 0.847million (2017–18: \$0.794 million).

21. Amounts receivable for services (holding account)

	2019 \$'000	2018 \$'000
Non-current	64,695	58,618
	64,695	58,618

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

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the holding accounts).

22. Other current assets

	2019 \$'000	2018 \$'000
Prepayments ^(a)	14,521	14,418
	14,521	14,418

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.

(a) Housing Authority \$13 million (2017–18:\$13 million).

23. Property, plant and equipment

	2019 \$'000	2018 \$'000
Land		
At fair value ^(a)	17,764	17,436
	17,764	17,436
Buildings		
At fair value ^(a)	8,754	9,036
	8,754	9,036
Computing equipment		
At cost	13,925	14,203
Accumulated depreciation	(11,240)	(9,758)
	2,685	4,445
Medical equipment		
At cost	199	199
Accumulated depreciation	(161)	(150)
	38	49
Motor vehicle		
At cost	86	57
Accumulated depreciation	(16)	(3)
	70	54
Plant and equipment		
At cost	431	467
Accumulated depreciation	(366)	(377)
	65	90

	2019 \$'000	2018 \$'000
Office equipment		
At cost	583	579
Accumulated depreciation	(435)	(378)
	148	201
Leasehold improvements		
At cost	16,482	19,373
Accumulated depreciation	(13,371)	(14,711)
	3,111	4,662
Work in progress		
	105	329
	32,740	36,302

(a) Land and buildings were revalued as at 1 July 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the revaluation, fair value was determined by reference to market values for land: \$12.483 million (2018: \$12.276 million) and buildings: \$0.873 million (2018: \$0.897 million). For the remaining balance, fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost.

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out in the table on the next page.

Information on fair value measurements is provided in [Note 24](#).

2019	Land \$'000	Buildings \$'000	Computing equipment \$'000	Medical equipment \$'000	Motor vehicle \$'000	Plant and equipment \$'000	Office equipment \$'000	Leasehold improvements \$'000	Work in progress \$'000	Total \$'000
Carrying amount at start of year	17,436	9,036	4,445	49	54	90	201	4,662	329	36,302
Additions	–	–	–	–	–	–	–	–	347	347
Disposals	–	(2)	(49)	–	(9)	–	(4)	(296)	–	(360)
Depreciation	–	(289)	(1,824)	(11)	(18)	(25)	(78)	(1,451)	–	(3,696)
Transfer between asset classes	–	190	113	–	43	–	29	196	(571)	–
Revaluation increments/ (decrements)	328	(181)	–	–	–	–	–	–	–	147
Carrying amount at end of year	17,764	8,754	2,685	38	70	65	148	3,111	105	32,740

2018	Land \$'000	Buildings \$'000	Computing equipment \$'000	Medical equipment \$'000	Motor vehicle \$'000	Plant and equipment \$'000	Office equipment \$'000	Leasehold improvements \$'000	Work in progress \$'000	Total \$'000
Carrying amount at start of year	17,600	9,353	6,099	67	14	121	191	5,410	765	39,620
Additions	–	23	–	–	–	–	29	31	1,022	1,105
Disposals	–	–	–	(5)	–	(3)	(6)	(115)	–	(129)
Depreciation	–	(291)	(1,931)	(13)	(3)	(28)	(95)	(1,708)	–	(4,069)
Transfer between asset classes	–	12	277	–	43	–	82	1,044	(1,458)	–
Revaluation increments/ (decrements)	(164)	(61)	–	–	–	–	–	–	–	(225)
Carrying amount at end of year	17,436	9,036	4,445	49	54	90	201	4,662	329	36,302

24. Fair value measurements

Assets measured at fair value

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair Value At end of period \$'000
2019				
Land (Note 23)	–	12,483	5,281	17,764
Buildings (Note 23)	–	873	7,881	8,754
	–	13,356	13,162	26,518
2018				
Land (Note 23)	–	12,276	5,161	17,437
Buildings (Note 23)	–	897	8,139	9,036
	–	13,173	13,300	26,473

There were no transfers between Levels 1,2 or 3 during the current and previous periods.

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Land and Buildings are derived using the market approach. Market evidence of sales prices of comparable land and buildings in close proximity is used to determine price per square metre.

Fair value measurements using significant unobservable inputs (Level 3)

	Land \$'000	Buildings \$'000
2019		
Fair value at start of period	5,161	8,139
Additions	–	76
Revaluation increments/(decrements) recognised in Other Comprehensive Income	120	(81)
Disposals	–	(2)
Depreciation expense	–	(251)
Fair value at end of period	5,281	7,881
2018		
Fair value at start of period	5,440	8,496
Additions	–	18
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(279)	(121)
Disposals	–	–
Depreciation expense	–	(254)
Fair value at end of period	5,161	8,139

Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's Instructions require valuations of land and buildings to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuations and Property Analytics) and represents the application of a significant Level 3 input in this valuation methodology.

The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Buildings (Level 3 fair values)

Fair value for existing use specialised buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

Valuation using current replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuations and Property Analytics). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings.

Basis of valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

25. Intangible assets

	2019 \$'000	2018 \$'000
Computer software		
At cost	14,475	14,498
Accumulated amortisation	(11,247)	(10,911)
Work in progress	352	1,264
	3,580	4,851
Reconciliation		
Computer software		
Carrying amount at start of period	3,587	4,137
Additions	1,309	987
Disposal	(38)	–
Amortisation expense	(1,630)	(1,537)
Carrying amount at end of period	3,228	3,587
Work in progress		
Carrying amount at start of period	1,264	517
Additions	397	1,734
Capitalised	(1,309)	(987)
Carrying amount at end of period	352	1,264
Total intangible assets		
Carrying amount at start of period	4,851	4,654
Additions	1,706	2,721
Disposal	(38)	–
Capitalised	(1,309)	(987)
Amortisation expense	(1,630)	(1,537)
Carrying amount at end of period	3,580	4,851

26. Impairment of assets

There were no indications of impairment to property, plant and equipment and intangible assets at 30 June 2019.

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

27. Payables

	2019 \$'000	2018 \$'000
Current		
Trade payables ^(a)	1,111	6,940
Accrued expenses ^(b)	29,794	1,032
Accrued salaries	676	584
	31,581	8,556

(a) Department of Communities \$0 million (2017–18: \$1.872 million) and Housing Authority \$0 million (2017–18 \$0.662 million).

(b) National Disability Insurance Agency \$29.441 million (2017–18: \$0 million).

28. Provisions

	2019 \$'000	2018 \$'000
Current		
Employee benefits provision		
Annual leave ^(a)	3,962	3,823
Long service leave ^(b)	4,743	4,949
Accrued days off ^(a)	2,281	2,137
Public holidays ^(a)	2,524	2,436
Deferred salary	108	160
Time off in lieu ^(a)	–	11
	13,618	13,516
Other provisions		
Employment on-costs ^(c)	185	183
	185	183
Total current employee related provisions	13,803	13,699
Non-current		
Employee benefits provision		
Long service leave ^(b)	883	929
	883	929
Other provisions		
Employment on-costs ^(c)	12	13
	12	13
Total non-current employee related provisions	895	942

(a) Leave liabilities including annual leave, accrued days off, time off in lieu and public holidays 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:

	2019 \$'000	2018 \$'000
Within 12 months of the end of the reporting period	7,772	7,455
More than 12 months after the end of the reporting period	995	951
	8,767	8,406

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

	2019 \$'000	2018 \$'000
Within 12 months of the end of the reporting period	1,809	1,936
More than 12 months after the end of the reporting period	3,817	3,943
	5,626	5,879

(c) The settlement of annual leave, accrued days off, public holidays, time off in lieu and long service leave liabilities gives rise to the payment of employment on-costs, including workers' compensation insurance. The provision is the present value of expected future payments.

The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in [Note 12](#) 'Other expenses'.

Movement employment on-cost provision

	2019 \$'000	2018 \$'000
Carrying amount at start of the period	196	963
Additional/ (reversals of) provision recognised	1	(767)
Carrying amount at the end of the period	197	196

29. Equity

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

Contributed equity

	2019 \$'000	2018 \$'000
Balance at start of period	53,735	33,428
Contributions by owners		
Capital appropriation	–	772
Other contributions by owners		
Transfer of leave liability to Department of Communities	–	19,535
Total contributions by owners	–	20,307
Balance at end of period	53,735	53,735
Reserves		
Asset revaluation surplus		
Balance at start of period	41,140	41,365
Net revaluation increments/(decrements)		
Land	328	(164)
Buildings	(181)	(61)
Balance at end of period	41,287	41,140
Accumulated surplus		
Balance at start of period	124,781	1,242
Result for the period	(17,922)	123,539
Balance at end of period	106,859	124,781
Total equity at end of period	201,881	219,656

30. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

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

	2019 \$'000	2018 \$'000
Cash and cash equivalents	101,795	94,569
Restricted cash and cash equivalents (refer to Note 19)	2,641	3,789
	104,436	98,358

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

	2019 \$'000	2018 \$'000
Net cost of services	(944,869)	(743,297)
Non-cash items		
Depreciation and amortisation expense (Note 9 'Depreciation and amortisation expense')	5,326	5,606
Services received free of charge (Note 18 'Income from State Government')	5,019	5,782
Net loss on sale of property, plant and equipment (Note 17 'net gain/(loss) on disposal of non-current assets.	389	129
(Increase)/decrease in assets		
Current receivables ^(a)	1,230	(25,199)
Other current assets	(103)	(12,580)
Increase/(decrease) in liabilities		
Current payables ^(a)	23,025	(14,916)
Current provisions	104	(748)
Non-current provisions	(47)	(1,458)
Change in GST in receivables/payables ^(b)	888	(294)
Net cash used in operating activities	(909,038)	(786,975)

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

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

31. Commitments

Non-cancellable operating lease commitments (Motor vehicles)

	2019 \$'000	2018 \$'000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	1,161	945
Later than 1 year and not later than 5 years	2,884	2,094
Later than 5 years	91	47
	4,136	3,086

Non-cancellable operating lease commitments (Buildings)

	2019 \$'000	2018 \$'000
Within 1 year	5,194	6,054
Later than 1 year and not later than 5 years	5,478	6,517
Later than 5 years	-	330
	10,672	12,901

The Commission has entered into property leases that are non-cancellable leases with terms that range from less than one year to greater than five years. With the exception of one lease, for which rent is paid every six months in arrears, rent is payable monthly in advance.

Other expenditure commitments

	2019 \$'000	2018 \$'000
Other expenditure commitments – contributions towards the NDIS for Aged Care and Specialist Disability Services, contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	38,800	–
	<u>38,800</u>	<u>–</u>

32. Contingent liabilities and contingent assets

The Commission has neither contingent liabilities nor contingent assets.

Contaminated sites

Under the *Contaminated Sites Act 2003*, the Commission is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. The Commission has no sites that are classified as contaminated sites.

33. Events occurring after the end of the reporting period

The Commission is not aware of any events occurring after the reporting date that have significant financial effect on the financial statements.

34. Explanatory statement

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for major variances, which are generally greater than:

- 5 per cent and \$20.6 million for the Statements of Comprehensive Income and Cash flows
- 5 per cent and \$2.7 million for the Statement of Financial Position.

	Variance Note	Estimate 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2019 and 2018 \$'000
Statement of Comprehensive Income						
Expenses						
Employee benefits expense	1, a	176,674	125,500	162,128	(51,174)	(36,628)
Supplies and services		23,597	20,725	28,051	(2,872)	(7,326)
Depreciation and amortisation expense		6,282	5,326	5,606	(956)	(280)
Accommodation expenses		10,784	7,506	10,899	(3,278)	(3,393)
Expenditure on services provided by funded agencies	2, b	495,381	746,633	788,738	251,252	(42,105)
Individual funding and other grants		16,122	26,254	31,989	10,132	(5,735)
Contribution to National Disability Insurance Scheme (NDIS)	3, c	379,322	324,723	–	(54,599)	324,723
Loss on disposal of non-current assets		–	389	129	389	260
Other expenses		2,940	3,404	2,334	464	1,070
Total cost of services		1,111,102	1,260,460	1,029,874	149,358	230,586
Income						
User charges and fees		34,142	13,632	3,355	(20,510)	10,277
Commonwealth grants and contributions	4, d	130,898	274,131	238,643	143,233	35,488
Other revenue		11,500	27,828	44,579	16,328	(16,751)
Total revenue		176,540	315,591	286,577	139,051	29,014
Total income other than income from State Government		176,540	315,591	286,577	139,051	29,014
Net cost of services		934,562	944,869	743,297	10,307	201,572
Income from State Government						
Service appropriation	e	928,581	921,863	860,989	(6,718)	60,874
Services received free of charge		6,130	5,019	5,782	(1,111)	(763)
Royalties for Regions Fund		65	65	65	–	–
Total income from State Government		934,776	926,947	866,836	(7,829)	60,111
Surplus/(Deficit) for the period		214	(17,922)	123,539	(18,136)	(141,461)
Other comprehensive income						
Changes in asset revaluation surplus		–	147	(225)	147	372
Total other comprehensive income		–	147	(225)	147	372
Total comprehensive income for the period		214	(17,775)	123,314	(17,989)	(141,089)

	Variance Note	Estimate 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2019 and 2018 \$'000
Statement of Financial Position						
Assets						
Current assets						
Cash and cash equivalents		4,443	101,795	94,569	97,352	7,226
Restricted cash and cash equivalents		23,276	912	2,189	(22,364)	(1,277)
Receivables		4,812	28,188	30,306	23,376	(2,118)
Other current assets	5	1,838	14,521	14,418	12,683	103
Total current assets		34,369	145,416	141,482	111,047	3,934
Non-current assets						
Restricted cash and cash equivalents		2,360	1,729	1,600	(631)	129
Amounts receivable for services	f	66,427	64,695	58,618	(1,732)	6,077
Property, plant and equipment	g	31,385	32,740	36,302	1,355	(3,562)
Intangible assets		1,500	3,580	4,851	2,080	(1,271)
Total non-current assets		101,672	102,744	101,371	1,072	1,373
Total assets		136,041	248,160	242,853	112,119	5,307
Liabilities						
Current liabilities						
Payables		24,516	31,581	8,556	7,065	23,025
Provision		14,391	13,803	13,699	(588)	104
Total current liabilities		38,907	45,384	22,255	6,477	23,129
Non-current liabilities						
Provisions		1,761	895	942	(866)	(47)
Total non-current liabilities		1,761	895	942	(866)	(47)
Total liabilities		40,668	46,279	23,197	5,611	23,082
Net assets		95,373	201,881	219,656	106,508	(17,775)
Equity						
Contributed equity		52,832	53,735	53,735	903	–
Reserves		41,364	41,287	41,140	(77)	147
Accumulated surplus		1,177	106,859	124,781	105,682	(17,922)
Total equity		95,373	201,881	219,656	106,508	(17,775)

	Variance Note	Estimate 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2019 and 2018 \$'000
Statement of Cash Flows						
Cash flows from State Government						
Service appropriation	h	922,299	915,581	854,707	(6,718)	60,874
Capital appropriations		-	-	772	-	(772)
Holding account drawdown		-	205	4,110	205	(3,905)
Royalties for Regions Fund		65	65	65	-	-
Net cash provided by State Government		922,364	915,851	859,654	(6,513)	56,197
Cash flows from operating activities						
Payments						
Employee benefits	6, i	(176,009)	(125,358)	(163,327)	50,651	37,969
Supplies and services		(31,290)	(33,318)	(42,785)	(2,028)	9,467
Payments for services provided by funded agencies	7, j	(495,381)	(746,633)	(788,738)	(251,252)	42,105
Individual funding and other grants		(16,122)	(26,254)	(31,989)	(10,132)	5,735
Contribution to NDIS	8, k	(379,322)	(295,282)	-	84,040	(295,282)
Receipts paid into Consolidated Account	l	-	-	(21,384)	-	21,384
GST payments on purchases	9	(52,034)	(79,031)	(82,609)	(26,997)	3,578
GST payments to taxation authority		(503)	(5,058)	(2,289)	(4,555)	(2,769)
Receipts						
User charges and fees		3,895	13,685	3,336	9,790	10,349
Commonwealth grants and contributions	10, m	130,898	287,965	224,809	157,067	63,156
GST receipts on sales		466	5,505	3,357	5,039	2,148
GST receipts from taxation authority	11	52,071	79,472	81,247	27,401	(1,775)
Other receipts	12	41,747	15,269	33,397	(26,478)	(18,128)
Net cash used in operating activities		(921,584)	(909,038)	(786,975)	12,546	(122,063)
Cash flows from investing activities						
Payments						
Purchase of non-current assets		-	(744)	(2,840)	(744)	2,096
Receipts						
Proceeds from sale of non-current assets		-	9	-	9	9
Net cash used in investing activities		-	(735)	(2,840)	(735)	2,105
Net increase in cash and cash equivalents		780	6,078	69,839	5,298	(63,761)
Cash and cash equivalents at the beginning of the period		29,299	98,358	28,519	69,059	69,839
Cash and cash equivalents at the end of period		30,079	104,436	98,358	74,357	6,078

Major Estimate and Actual (2019) Variance narratives

- 1) Employee benefits expense was less than budget by \$51.2 million (29 per cent) primarily due to the decision by the State Government to transition to a nationally-delivered National Disability Insurance Scheme (NDIS) in Western Australia. As a result, additional local coordinators were not recruited by the Disability Services Commission. Furthermore, the underspend is also due to the impact of the Voluntary Targeted Separation Scheme (VTSS).
- 2) Expenditure on services provided by funded agencies was higher than budget by \$251.3 million (50.7 per cent). This is as a result of the delay in the transition of clients to the NDIS in WA. The estimate (\$495 million) was predicated on the basis that the transition of clients to the NDIS will occur in line with the Bilateral Agreement; however, this did not occur and the State continued to provide services to the clients in line with the Continuity of Support Arrangements. The Commonwealth contributed towards this additional expenditure (refer point 4).
- 3) The contribution to NDIS was less than budget by \$54.6 million (14.4 per cent) due to the delay in the transition of clients into the NDIS in WA.
- 4) Commonwealth grants and contributions were higher than budget by \$143.2 million (109.4 per cent) as a result of the National Disability Insurance Agency (NDIA) transition delay. The Commonwealth Government had provided additional funding for clients that have not transitioned into the NDIS in WA.
- 5) Other current assets were higher than budget by \$12.7 million (690.0 per cent) due to the advance payment made to the Housing Authority for group homes redevelopment.
- 6) Employee benefits were less than budget by \$50.7 million (28.8 per cent). Refer to explanation above at point 1.
- 7) Payments for services provided by funded agencies were higher than budget by \$251.3million (50.7 per cent). Refer to explanation above at point 2.
- 8) Payments to NDIS were less than budget by \$84 million (22.2 per cent). Refer to explanation above at point 3.
- 9) GST payments on purchases were higher than budget by \$27 million (51.9 per cent) due to the increase in payment for services provided by funded agencies.
- 10) Commonwealth grants and contributions were higher than budget by \$157.1 million (120 per cent). Refer to explanation above at point 4.
- 11) GST receipts from taxation authority were higher than budget by \$27.4 million (52.7 per cent). Refer to explanation above in point 9.
- 12) Other receipts were less than budget by \$26.5 million (63.4 per cent) due to delays by the NDIA in transitioning Commission accommodation provided services into the NDIS in WA.

Major Actual (2019) and Comparative (2018) Variance narratives

- a) Employee benefits expense decreased by \$36.6 million (22.6 per cent). Refer to explanation above at point 1.
- b) Expenditure on Services provided by funding agencies decreased by \$42.1 million (5.34 per cent). This is as a result of the delay in transition to a Commonwealth administered NDIS in WA.
- c) Contribution to NDIS increased by \$324.7 million (100 per cent) as a result of payments to the NDIA, covering 2017–18 and 2018–19.
- d) Commonwealth grants and contribution increased by \$35.5 million (14.9 per cent) as a result of the additional Commonwealth grants received due to the delay in the transition of clients into the NDIS in WA.
- e) Service appropriation increased by \$60.9 million (7.1 per cent) mainly due to the State's contribution to the NDIS (\$73.7 million), Non-Government Human Services Sector (NGHSS) indexation (\$8 million), offset by the impact of the savings as a result of the VTSS.
- f) Amounts receivable for services increased by \$6.1 million (10.4 per cent) due to the non-cash appropriation provided to fund the depreciation charges for 2018–19.
- g) Property, plant and equipment decreased by \$3.6 million (9.8 per cent) mainly due to additional depreciation charged during the year.
- h) Service appropriation increased by \$60.9 million (7.1 per cent). Refer to explanation above at point e.
- i) Employee benefits decreased by \$38 million (23.3 per cent). Refer to explanation above at point a.
- j) Payment for services provided by funded agencies decreased by \$42.1 million (5.3 per cent). Refer to explanation above at point b.
- k) Contribution to NDIS increased by \$295.3 million (100 per cent). Refer to explanation above at point c.
- l) Receipts paid into Consolidated Account decreased by \$21.4 million (100 per cent) as there were no receipts returned to the Consolidated Account during 2018–19.
- m) Commonwealth grants and contributions increased by \$63.2 million (28.1 per cent). This is as a result of the additional Commonwealth grants received due to the delay in transition of clients (refer point b). In addition, the Commonwealth also made payments for invoices related to 2017–18 during 2018–19.

35. Financial risk management

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

(a) Summary of risks and risk management

Credit risk

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

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than Government, the Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure the sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

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

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

The Commission 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 Commission's income or the value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks.

(b) Categories of financial instruments

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

	2019 \$'000	2018 \$'000
Financial Assets		
Cash and cash equivalents	104,436	98,358
Loans and receivables ^(a)	–	85,897
Financial assets at amortised costs ^(a)	90,744	–
Total financial assets	195,180	184,255
Financial liabilities		
Financial liabilities at amortised cost	31,581	8,556
Total financial liability	31,581	8,556

(a) The amount of loans and receivables/Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

(c) Credit risk exposure

The following table details the credit risk exposure on the Commission's trade receivables using a provision matrix.

	Total \$'000	Current \$'000	Days past due			
			<30 days \$'000	31-60 days \$'000	61-90 days \$'000	>91 days \$'000
30 June 2019						
Expected credit loss rate		0.04%	0.81%	1.73%	11.11%	4.67%
Estimated total gross carrying amount at default	26,171	21,757	1,105	1,738	9	1,562
Expected credit losses	(122)	(9)	(9)	(30)	(1)	(73)
1 July 2018						
Expected credit loss rate		0.04%	0.47%	1.50%	2.94%	5.71%
Estimated total gross carrying amount at default	27,376	24,934	213	934	34	1,261
Expected credit losses	(97)	(9)	(1)	(14)	(1)	(72)

(d) Liquidity risk and interest rate exposure

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

	Interest rate exposure and maturity analysis of financial assets and financial liabilities										
	Weighted average effective interest rate %	Interest rate exposure				Nominal amount \$'000	Maturity dates				
Carrying amount \$'000		Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000	Up to 1 month \$'000		1-3 months \$'000	3 months to 1 year \$'000	1-5 Years \$'000	More than 5 Years \$'000	
2019											
Financial assets											
Cash and cash equivalents	101,795	—	—	101,795	101,795	101,795	—	—	—	—	
Restricted cash and cash equivalents	2,641	—	—	2,641	2,641	912	—	—	—	1,729	
Receivables ^(a)	26,049	—	—	26,049	26,049	26,049	—	—	—	—	
Amounts receivable for services	64,695	—	—	64,695	64,695	—	—	—	—	64,695	
	195,180	—	—	195,180	195,180	128,756	—	—	—	66,424	
Financial liabilities											
Payables	31,581	—	—	31,581	31,581	31,581	—	—	—	—	
	31,581	—	—	31,581	31,581	31,581	—	—	—	—	
2018											
Financial assets											
Cash and cash equivalents	94,569	—	—	94,569	94,569	94,569	—	—	—	—	
Restricted cash and cash equivalents	3,789	—	—	3,789	3,789	2,189	—	—	—	1,600	
Receivables ^(a)	27,279	—	—	27,279	27,279	27,279	—	—	—	—	
Amounts receivable for services	58,618	—	—	58,618	58,618	—	—	—	—	58,618	
	184,255	—	—	184,255	184,255	124,037	—	—	—	60,218	
Financial liabilities											
Payables	8,556	—	—	8,556	8,556	8,556	—	—	—	—	
	8,556	—	—	8,556	8,556	8,556	—	—	—	—	

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

Fair values

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

36. Initial application of Australian Accounting Standards

AASB 9 Financial instruments

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurements for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Commission applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies but no adjustment to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Commission has not restated the comparative information that continues to be reported under AASB 139.

The effect of adopting AASB 9 as at 1 July 2018 was assessed as not material and, therefore, no adjustment was required to be recognised directly in Accumulated Surplus.

The nature of these adjustments is described below:

a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Commission's business model for managing the assets and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Commission's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances at the time of initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Commission. The following are the changes in the classification of the Commission's financial assets:

- Receivables and Amounts Receivable for services classified as Loans and Receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as financial assets at amortised cost beginning 1 July 2018.
- The Commission did not designate any financial assets as at fair value through P/L.

In summary, upon the adoption of AASB 9, the Commission had the following reclassifications as at 1 July 2018:

	AASB 9 category		
	Amortised cost \$'000	Fair value through OCI \$'000	Fair value through P/L \$'000
AASB 139 category			
Loans and receivables			
• Receivables	27,279	–	–
• Amounts receivable for services	58,618	–	–
Carrying amount at end of period	85,897	–	–

b) Impairment

The adoption of AASB 9 has fundamentally changed the Commission's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

Upon adoption of AASB 9, the effect was not considered to be material, therefore, no adjustment was made.

37. Remuneration of auditor

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

	2019 \$'000	2018 \$'000
Auditing the accounts, financial statements, controls, and key performance indicators	133	133

38. Affiliated bodies

The following non-government organisations received more than half of their funding and resources from the Commission but were not subject to operational control by the Commission.

Name of Organisation	2019 \$'000	2018 \$'000
Ability Centre Australasia Ltd	48,354	52,872
Accessibility WA Inc	2,967	2,663
Access to Leisure and Sport	1,159	711
Alpha Carers Australia Pty Ltd	–	978
Anderson Neurological Development Services Pty Ltd	2,231	2,011
Ashton Horsley	352	335
Autism Association of WA Inc	42,996	44,034
Avivo: Live Life Inc	–	35,038
Benjamin Dainton	180	160
BGSR Pty Ltd Supported Accommodation Services	10,019	9,221
Cam Can and Associates Pty Ltd ATF the Lema Family Trust	19,368	20,358
Community Living Association Inc	11,596	10,426
Crosslinks Inc	4,515	6,644
Developmental Disability Council of Western Australia Inc	570	677
Directions Disability Support Services Inc	4,228	5,584
Diversity South Inc	557	8,110
Down South Therapy Services Pty Ltd	–	1,779
Down's Syndrome Association of WA Inc	231	292
Ease WA Pty Ltd	547	903
Elba Inc	4,292	4,534
Empowering People In Communities (EPIC) Inc	5,822	5,237

Name of Organisation	2019 \$'000	2018 \$'000
Enable Southwest Inc	19,740	17,241
Ethnic Disability Advocacy Centre	1,136	1,015
Explorability Inc	896	712
Family Support WA Inc	3,374	3,850
Far North Community Services Ltd	6,488	5,710
Felicity Jane Adams ATF the Adams – Grono Family Trust	469	363
Goldfields Individual and Family Support Association Inc	6,157	6,769
Identitywa	27,002	26,302
Inclusion WA Inc	3,059	3,866
Intelife Group	–	11,860
Interchange Inc	10,133	10,902
ISADD WA Pty Ltd	1,171	1,700
Kids are Kids! Therapy and Education Centre Inc.	1,617	2,114
Kira Inc	2,561	2,591
Lifepan Recreation and Leisure Association Inc	2,697	1,564
Midway Community Care	6,543	13,477
Midwest Community Living Association Inc	3,466	2,608
Mosaic Community Care Inc	10,169	14,080
My Place Foundation Inc	39,447	37,749
Nascha Inc	2,677	2,255
Next Challenge Enterprises Pty Ltd	378	469
Nulsen Haven Association Inc	37,343	44,234
One 2 One Pty Ltd	3,981	5,087
Orion Services WA Pty Ltd	4,770	6,069
Peel Home and Community Support Incorporated	686	392
People Actively Committed Together PACT Inc	615	612

Name of Organisation	2019 \$'000	2018 \$'000
People With Disabilities (WA) Inc	1,599	1,294
Phylos Inc	936	805
Potential Occupational Therapy for Children ATF The Rogan Family Trust	458	645
Rocky Bay Inc	55,390	61,349
Senses Australia	16,395	17,914
Sexuality Education Counselling and Consultancy Agency Inc	562	486
Small and Up Pty Ltd	2,381	752
South Metropolitan Personnel Inc	3,345	4,035
Teem Treasure Pty Ltd	5,540	5,807
Therapy Focus Inc	24,067	28,899
Valued Lives Foundation Inc	3,075	3,324
Vemvane Inc	1,047	973
WA Blue Sky Inc	3,294	3,620
Wize Therapy Pty Ltd	4,318	2,148

39. Related bodies

There were no organisations that received more than half of their funding and resources from the Commission and were subject to operational control by the Commission.

40. Supplementary financial information

	2019 \$'000	2018 \$'000
Write-offs		
Debts due to the State written off during the financial year	Nil	Nil
Losses through theft, defaults and other causes		
Losses of public moneys and public and other property through theft or default	Nil	Nil
Amounts recovered	Nil	Nil
Gifts of public property		
Gifts of public property provided by the Commission	Nil	Nil

41. Schedule of income and expenses by service

	Planning and coordination \$'000		Residential services \$'000		Community living support \$'000		Independent living support \$'000		Therapy and specialised care \$'000		Community participation \$'000		Advocacy, access and inclusion \$'000		Contribution to NDIS \$'000		Total \$'000	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Cost of services																		
Expenses																		
Employee benefits expense	38,206	62,760	16,435	24,221	39,012	41,294	8,379	8,301	12,896	14,760	8,610	9,190	1,962	1,602	-	-	125,500	162,128
Supplies and services	4,043	11,465	1,957	3,683	5,320	5,987	3,151	1,915	2,681	2,294	3,286	2,200	287	507	-	-	20,725	28,051
Depreciation and amortisation expense	-	-	374	1,078	1,307	1,817	1,256	781	963	897	1,324	953	102	80	-	-	5,326	5,606
Accommodation expense	3,157	5,723	590	1,284	1,429	1,980	798	551	626	633	841	672	65	56	-	-	7,506	10,899
Expenditure on services provided by funded agencies	4,883	4,043	42,473	34,477	169,136	200,547	187,339	209,022	136,932	126,786	191,475	198,824	14,395	15,039	-	-	746,633	788,738
Individual funding and other grants	69	1,193	1	2	140	4	7,171	10,399	5,291	6,617	13,558	13,774	24	-	-	-	26,254	31,989
Contribution to NDIS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	324,723	-	324,723	-
Loss on disposal of non-current assets	21	46	26	16	90	27	87	12	67	13	91	14	7	1	-	-	389	129
Other expenses	193	814	225	291	788	493	759	212	580	243	798	259	61	22	-	-	3,404	2,334
Total cost of services	50,572	86,044	62,081	65,052	217,222	252,149	208,940	231,193	160,036	152,243	219,983	225,886	16,903	17,307	324,723	-	1,260,460	1,029,874
Income																		
User charges and fees	-	-	13,632	3,355	-	-	-	-	-	-	-	-	-	-	-	-	13,632	3,355
Commonwealth grants and contribution	11,816	19,937	14,505	15,074	50,753	58,428	48,819	53,572	37,392	35,278	51,398	52,343	3,948	4,011	55,500	-	274,131	238,643
Other revenue	1,504	3,724	1,846	2,816	6,460	10,915	6,214	10,007	4,759	6,590	6,542	9,778	503	749	-	-	27,828	44,579
Total income other than income from State Government	13,320	23,661	29,983	21,245	57,213	69,343	55,033	63,579	42,151	41,868	57,940	62,121	4,451	4,760	55,500	-	315,591	286,577
Net cost of services	37,252	62,383	32,098	43,807	160,009	182,806	153,907	167,614	117,885	110,375	162,043	163,765	12,452	12,547	269,223	-	944,869	743,297
Income from State Government																		
Service appropriation	35,272	71,930	43,299	54,384	151,504	210,801	145,727	193,280	111,619	127,278	153,430	188,846	11,789	14,470	269,223	-	921,863	860,989
Resources received free of charge	271	483	333	365	1,165	1,416	1,121	1,298	858	855	1,180	1,268	91	97	-	-	5,019	5,782
Royalties for Regions	4	5	4	4	15	16	14	15	11	10	15	14	2	1	-	-	65	65
Total Income from State Government	35,547	72,418	43,636	54,753	152,684	212,233	146,862	194,593	112,488	128,143	154,625	190,128	11,882	14,568	269,223	-	926,947	866,836
Surplus/ (Deficit) for the period	(1,705)	10,035	11,538	10,946	(7,325)	29,427	(7,045)	26,979	(5,397)	17,768	(7,418)	26,363	(570)	2,021	-	-	(17,922)	123,539

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

42. Indian Ocean Territories

The Commission provides a full range of services to people with disability living on Christmas Island and the Cocos (Keeling) Islands. The service is provided pursuant to the service delivery agreement with the Commonwealth Government.

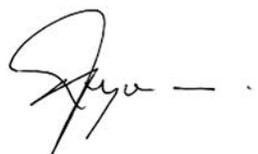
	2019 \$'000	2018 \$'000
Balance at start of the financial year	80	(85)
Receipt from Commonwealth	81	268
Payment	(105)	(103)
Balance at the end of the financial year	56	80

Key performance indicators

Certification of key performance indicators

For the reporting period ended 30 June 2019

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Disability Services Commission's performance, and fairly represent the performance of the Disability Services Commission for the financial year ended 30 June 2019.



Bruce Langoulant
Chairperson
Disability Services
Commission Board

11 September 2019



Gabrielle Trenbath
Board Member
Disability Services
Commission Board

11 September 2019

Key Performance Indicators

State Government Goal

Strong communities

Safe communities and supported families

The 2018–19 Outcome Based Management (OBM) framework remains unchanged and is consistent with 2017–18.

Table of key performance indicators

Effectiveness indicators

- KPI 1 Percentage of service users who achieve their individual plan outcomes
- KPI 2 Satisfaction with individualised planning process

Efficiency indicators

Service 1 – Planning and Coordination for People with Disability

- KPI 3 Proportion of individual plans commenced within the required timeframe
- KPI 4 Average cost per intensity of individual support requirements

Outcome 2. The quality of life of people with disability is enhanced

Effectiveness indicators

- KPI 5 Proportion of quality evaluations which meet national standards
- KPI 6 Satisfaction with service received
- KPI 7 Proportion of the population in need who receive services

Efficiency indicators

Service 2 – Residential Services for People with Disability

- KPI 4 Average cost per intensity of individual support requirements
- KPI 8 Average cost per service activity

Service 3 – Community Living Support for People with Disability

- KPI 4 Average cost per intensity of individual support requirements
- KPI 8 Average cost per service activity

Service 4 – Independent Living Support for People with Disability

- KPI 4 Average cost per intensity of individual support requirements
- KPI 8 Average cost per service activity

Service 5 – Therapy and Specialised Care for People with Disability

- KPI 4 Average cost per intensity of individual support requirements
- KPI 8 Average cost per service activity

Outcome 3. People with disability have the opportunity to participate in community life

Effectiveness indicators



- KPI 9 Proportion of service users who achieve community participation outcomes
- KPI 10 Service users' satisfaction with community access and inclusion

Efficiency indicators



Service 6 – Community Participation for People with Disability

- KPI 4 Average cost per intensity of individual support requirements
- KPI 8 Average cost per service activity

Service 7 – Advocacy, Access and Inclusion for People with Disability

- KPI 8 Average cost per service activity
- KPI 11 Proportion of access, inclusion and advocacy projects completed within the required time

1. Percentage of service users who achieve their individual plan outcomes

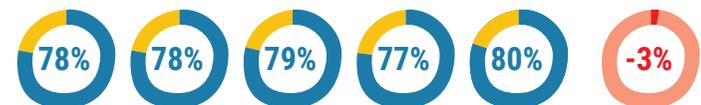
People with disability receive individual supports to meet their goals and support needs in their individual plan. Plans are reviewed regularly to evaluate the extent to which they enable people to meet their goals and desired outcomes. This indicator assesses the extent to which goals in individual plans have been achieved.

The percentage outcome is derived from the documented achievement of plan outcomes at plan review, by rating each plan goal as fully achieved, mostly achieved, partially achieved or not achieved. The total number of plans with at least 50 per cent of goals achieved (i.e. fully achieved or mostly achieved) is divided by the total number of reviewed plans to obtain the percentage measure.

The 2018–19 actual result is relatively consistent with target and prior year actual results.

Effectiveness Indicator	2015–2016 actual	2016–2017 actual	2017–2018 actual	2018–2019 actual	2018–2019 target	Variation from target
Percentage of service users who achieve their individual plan outcomes	78%	78%	79%	77%	80%	-3%

Percentage of service users who achieve their individual plan outcomes



2. Satisfaction with individualised planning process

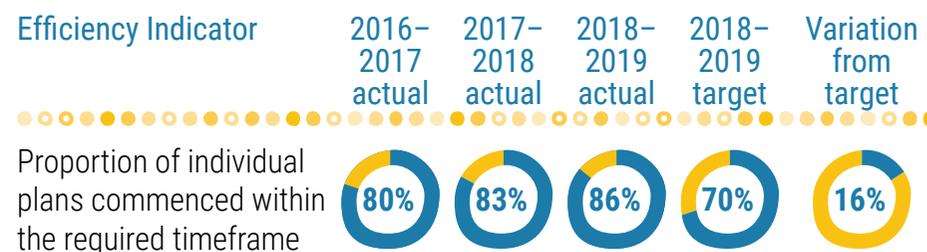
As of 2018–19, the WA NDIS Consumer Satisfaction Survey is no longer available due to the impact of the transfer and transition of individuals to the Commonwealth-administered NDIS. As a result, this indicator cannot be reported. An exemption to reporting this indicator result was obtained from the Under Treasurer in February 2019.

3. Proportion of individual plans commenced within the required timeframe

Individual planning is essential in supporting individuals to receive the services required to meet their needs. This measure assesses the timeliness of plans, as they are a central component of the efficiency of receiving services.

The timeliness of an individual plan is measured from the date the planning starts to the date it is completed. For people with an existing plan, there is a benchmark timeframe of 30 days within which planning should be completed and for people developing their first plan, there is a 90 day benchmark.

The 2018–19 actual is higher than the target due to ensuring continuity of services during the transfer and transition to the Commonwealth-administered NDIS (NDIA). A greater proportion of plans and reviews were conducted within target timeframes to ensure continuity of service.



4. Average cost per intensity of individual support requirements

This measure explores the extent to which the expenditure aligns with the level of support required. The support needs of individuals are allocated a ranking, from 'one' for those with low support needs to 'three' for those with high support needs. These rankings are applied to the total cost in each service area to arrive at an average cost per intensity of individual support requirements.

From 2017–18 to 2018–19, there has been an overall decrease in expenditure due to the transfer and transition of individuals from the State to the Commonwealth-administered NDIS (NDIA), as per the NDIS Bilateral Agreement between Western Australia and the Commonwealth.

The 2018–19 actual for the residential services service area was higher than both the 2017–18 actual and target, as a result of a disability sector organisation restructuring a number of its service outlets from small residential outlets to group homes. This resulted in a decreased denominator as individuals were moved from residential services to community living support, while expenditure was still relatively consistent with prior years.

The 2018–19 actual expenditure was above target for the majority of service areas due to the delayed rate of transfer of individuals to the NDIA, however the results were not consistent across all service areas as individuals moved between service areas as they continued their planning prior to their transfer and transition to the NDIA.

Furthermore, planning and coordination was lower than target as the number of individuals receiving services remained consistent with prior years, due to the counting rule that individuals are counted as receiving a service, even if only for one day. This was offset by the decrease in expenditure, resulting in a lower actual than target and the prior year actual.

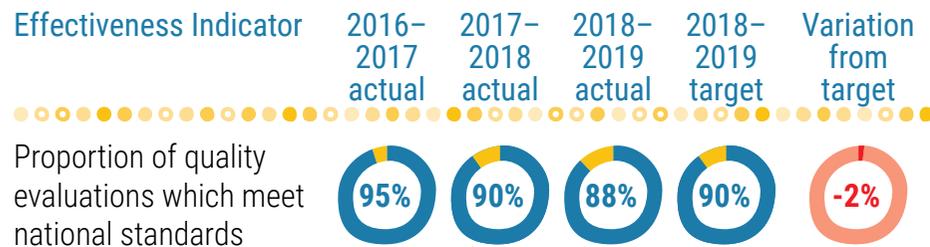
Efficiency Indicator	2016–2017 actual	2017–2018 actual	2018–2019 actual	2018–2019 target	Variation from target
Planning and coordination	\$1,775	\$2,287	\$1,386	\$1,545	-10%
Residential services	\$81,415	\$81,416	\$112,261	\$62,417	80%
Community living support	\$74,838	\$70,829	\$58,629	\$58,021	1%
Independent living support	\$19,937	\$18,841	\$17,598	\$14,693	20%
Therapy and specialised care	\$4,018	\$5,371	\$5,525	\$3,263	69%
Community participation	\$7,174	\$8,039	\$8,440	\$5,407	56%

5. Proportion of quality evaluations which meet national standards

This measure assesses the performance of service providers on independent quality evaluations against the National Standards for Disability Services (Standards). Service providers are evaluated on a three-year or more frequent basis. Where an evaluation finds that a service provider has not met the Standards, a 'required action' is issued. If the service provider is able to meet all 'required actions' within a set timeframe, it is deemed to be compliant with the Standards.

The proportion of quality evaluations that met national standards is calculated by dividing the total number of quality evaluations which met national standards in the relevant period by the total number of eligible quality evaluations completed in the year.

The 2018–19 actual result is relatively consistent with target and the prior year actual results.

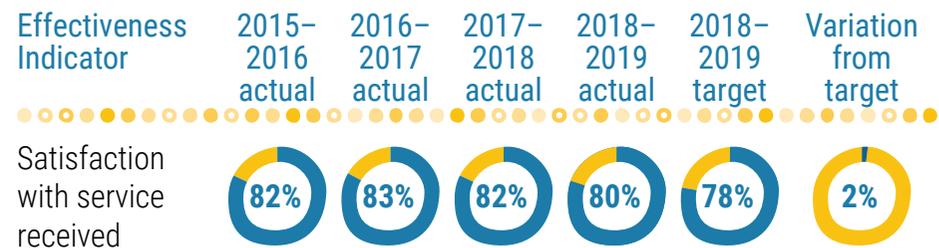


6. Satisfaction with service received

This measure focuses on levels of satisfaction with services received by people with disability and is measured by an annual Consumer and Carer Satisfaction Survey.

The survey collected data from a random sample of 570 people with disability and their carers. The sample is stratified to ensure it contains individuals representing users across all services. The researchers conducted structured telephone interviews with people with disability and their carers. Satisfaction with services is measured based on responses to the question, "How happy or unhappy are you with the help you get?" The proportion of consumers reporting they are 'happy' or 'very happy' are combined to determine overall levels of satisfaction.

The 2018–19 actual result is relatively consistent with target and prior year actual results.



Note: Overall, the survey result of n= 570 randomly selected respondents provides data that is accurate to within ± 4.0 per cent of the population figures at the 95 per cent level of confidence based on N= 8,797 (stratified for age <17 years; 18+ years and service category – 1; 2; 3; 4; 5; 6). This number excludes people with disability who receive services within the electronic Community Aids and Equipment Program (eCAEP), WA NDIS and NDIA sites. The response rate for the 2019 Consumer and Carer Satisfaction Survey was 54 per cent.

7. Proportion of the population in need who receive services

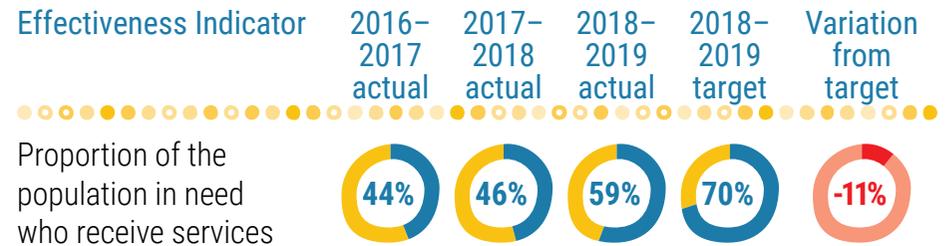
The proportion of the population in need who receive services is a measure of the estimated proportion of the potential population with disability in WA which has accessed our services.

The measure is calculated by dividing the number of users younger than 65 years of age which have accessed our services, by an estimated target population. The target population is derived from the 2015 Survey of Disability, Ageing and Carers, for people younger than 65 years of age with a severe or profound disability living in WA, and adjusted for the estimated number of people with disability in the Australia wide NDIS in WA.

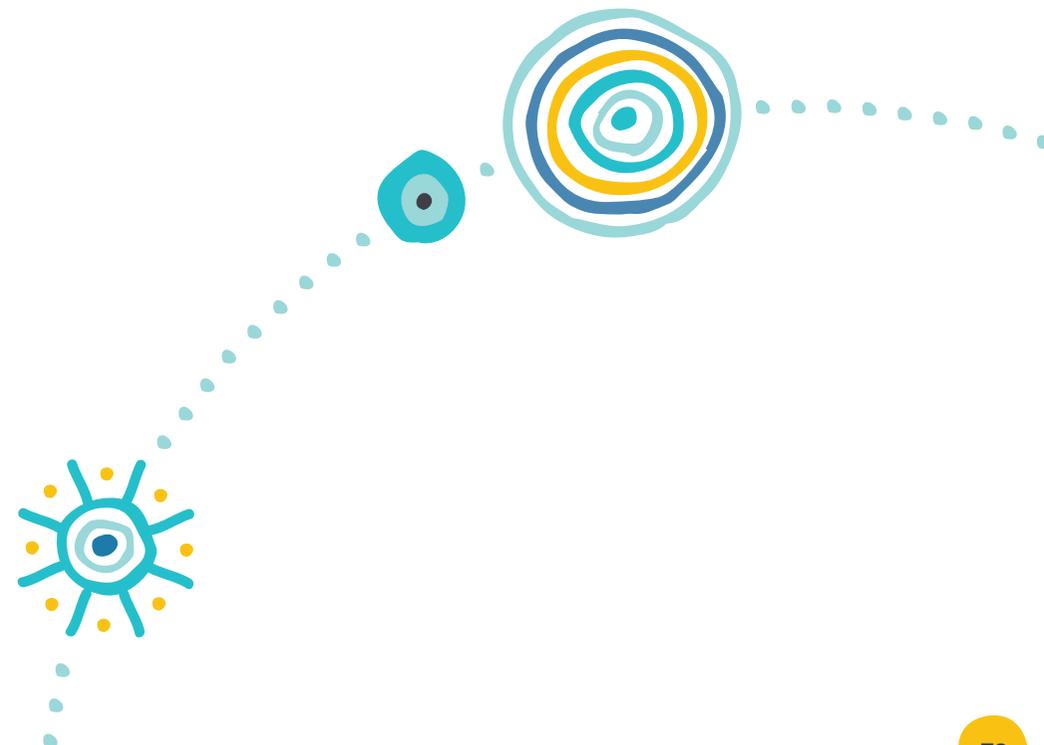
The 2018–19 actual is higher than the 2017–18 actual due to the transfer and transition of individuals from the State to the Commonwealth-administered NDIS (NDIA), as per the NDIS Bilateral Agreement between Western Australia. This resulted in a decreased target population as the 2015 survey population is reduced by the number of individuals that the Commonwealth-administered NDIS provided services to (denominator), while the number of individuals receiving services from Disability Services within the year remained consistent (numerator).

The 2018–19 actual is lower than target due to the delayed rate of transfer and transition of individuals from the State to the Commonwealth-administered NDIS. This resulted in a higher than expected target population as the 2015 survey population is reduced by the number of individuals that the Commonwealth-administered NDIS provided services to (denominator), while the number of individuals receiving services from Disability Services within the year remained consistent (numerator).

It should be noted that the number of individuals receiving services from Disability Services in 2018–19 have not been significantly impacted as individuals receiving at least one day of service are still counted.



Note: The 2015 Survey of Disability Aging and Carers (SDAC) is the most current SDAC available. The 2018 SDAC will not be released until October 2019.



8. Average cost per service activity

This measure identifies high level trends in patterns of service activity including the range of services accessed by users, as well as the efficiency of services. The total cost of each service area is divided by the total count of service activity (in that service area).

From 2017–18 to 2018–19, there has been an overall decrease in expenditure due to the transfer and transition of individuals from the State to the Commonwealth-administered NDIS (NDIA), as per the NDIS Bilateral Agreement between Western Australia and the Commonwealth. The results were not consistent across all service areas as individuals moved between service areas as they continued their planning prior to their transfer and transition to the NDIA.

The 2018–19 actual expenditure was above target due to the delayed rate of transfer of individuals to the NDIA.

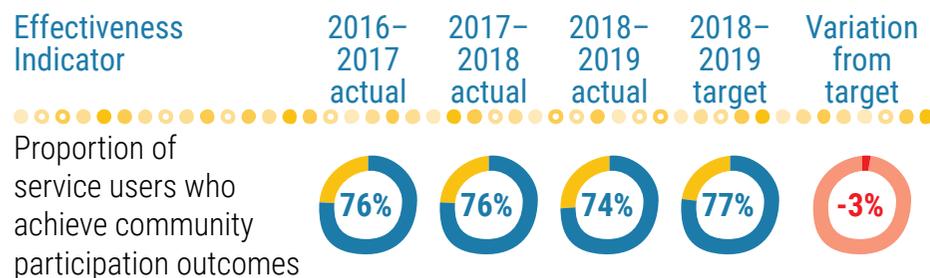
The variance in the advocacy, access and inclusion service area between the 2018–19 actual and target is due to Commonwealth funded Information, Linkages and Capacity Building Grants not being included in the 2018–19 target, as the funds were received post budget. State funded Sector Transition Fund Grants were also spread across service areas in the budget instead of being fully allocated against the advocacy, access and inclusion service area 2018–19 target. While activity continued to increase in 2018–19, the amount of expenditure was relatively consistent with the prior year, hence resulting in a decreased 2018–19 as compared to the prior year.

Efficiency Indicator	2016–2017 actual	2017–2018 actual	2018–2019 actual	2018–2019 target	Variation from target
Residential services	\$212,476	\$220,514	\$290,095	\$162,895	78%
Community living support	\$172,172	\$170,141	\$144,046	\$133,482	8%
Independent living support	\$33,030	\$31,853	\$30,542	\$24,343	25%
Therapy and specialised care	\$6,150	\$7,785	\$7,733	\$4,994	55%
Community participation	\$9,705	\$10,943	\$11,743	\$7,314	61%
Advocacy, access and inclusion	\$30,130	\$135,753	\$114,203	\$23,727	381%

9. Proportion of service users who achieve community participation outcomes

This indicator measures the rate of achievement of plan goals which include strategies linked to community participation outcomes. This provides us with insights into the extent to which community participation takes place. Goal achievement is determined when an individual plan is reviewed.

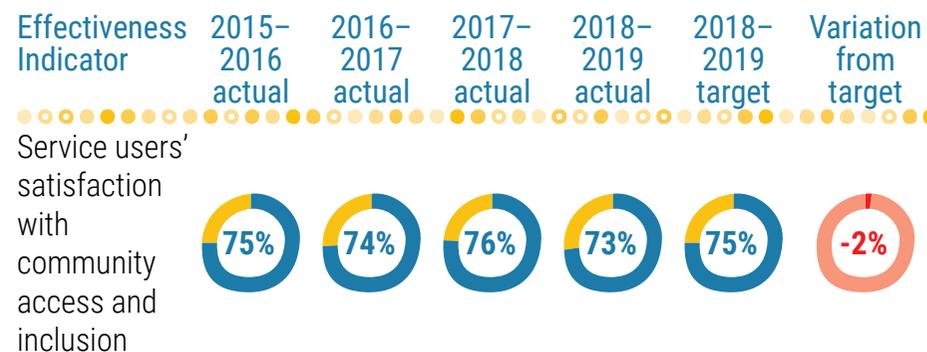
Results are derived at the point of plan review, when the achievement of community participation outcomes is documented. Each plan goal is rated based on whether it was fully achieved, mostly achieved, partially achieved or not achieved. The number of fully or mostly achieved goals is divided by the total number of reviewed plans. The 2018–19 actual result is relatively consistent with target and prior year actual results.



10. Service users' satisfaction with community access and inclusion

Service users' satisfaction with community access and inclusion is measured using our annual Consumer and Carer Satisfaction Survey.

Satisfaction with community access and inclusion services is derived from the results of three survey questions. These questions provide valuable insights into service users' satisfaction with local services and amenities and opportunities to be involved in their community. The proportion of consumers reporting they are 'happy' or 'very happy' is combined to determine overall levels of satisfaction. The 2018–19 actual result is relatively consistent with target and prior year actual results.

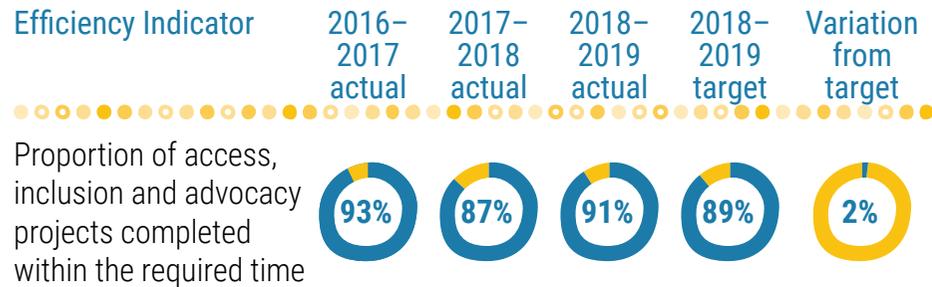


Note: Overall, the survey result of n= 570 randomly selected respondents provides data that is accurate to within ± 4.0 per cent of the population figures at the 95 per cent level of confidence based on N= 8,797 (stratified for age <17 years; 18+ years and service category – 1; 2; 3; 4; 5; 6). This number excludes people with disability who receive services within the electronic Community Aids and Equipment Program (eCAEP), WA NDIS and NDIA sites. The response rate for the 2019 Consumer and Carer Satisfaction Survey was 54 per cent.

11. Proportion of access, inclusion and advocacy projects completed within the required time

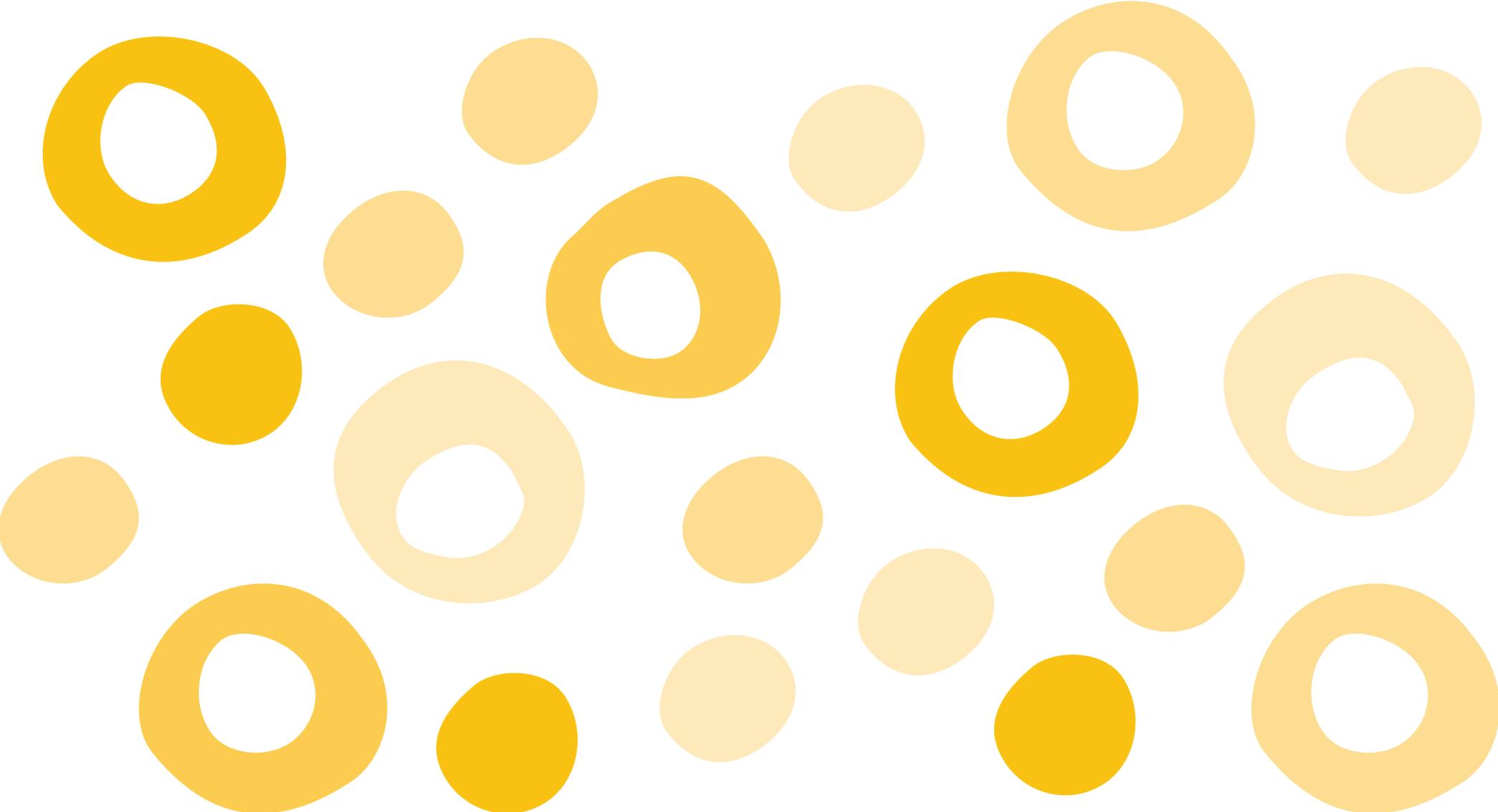
Access, inclusion and advocacy projects support the achievement of positive outcomes for people with disability in their community. Projects include community infrastructure grants, advocacy and community education projects as well as service improvement projects which raise community awareness about disability.

This indicator measures the proportion of projects completed within the required timeframe during the reporting period, being the 2018–19 financial year. The 2018–19 actual result is relatively consistent with target and prior year actual results.



Ministerial directives

No ministerial directives were received during 2018–19.



Other financial disclosures

Pricing policies

People with disability who live in the Disability Services Commission's supported community living shared-homes contribute part of their pension toward the costs of board and lodging. The rate is generally equivalent to 75 per cent of their pension.

Capital works projects

In accordance with Treasurer's Instruction 903(13)(ii), the Disability Services Commission identifies major capital works projects completed during the year, and those that remain ongoing at the end of the financial year.

Capital works projects completed

Nil.

Major capital projects incomplete

Nil.

Act of Grace payments

As at 30 June 2019, there were no Act of Grace payments recorded.

Employment and industrial relations

The Chief Executive Officer of the Disability Services Commission uses the resources of the Department of Communities to perform functions of the Disability Services Commission. The Department of Communities 2018–19 Annual Report provides information on employment and industrial relations.

Staff profile

At the close of the financial year, 420 staff were directly employed by the Disability Services Commission (Table 1). The staff are directly employed under the *Disability Services Act 1993* and represent occupational groups, including registered nurses, support workers and social trainers.

Table 3: Staff profile as at 30 June 2019

Direct employment	Disability Services Commission (direct employees)
Number of people	420
Total:	420

Industrial relations

The Disability Services Commission has a Joint Consultative Committee in place with the Civil Service Association of Western Australia to address employment and industrial relations matters.

One application was lodged with the Western Australian Industrial Relations Commission under the provisions of the *Industrial Relations Act 1979*, which was resolved.

No applications were lodged with the Equal Opportunity Commission or the Australian Human Rights Commission during 2018–19.

Personal expenditure on the Government's credit cards

In accordance with Treasurer's Instruction 321, officers are prohibited from using Government-issued credit cards for personal purposes. Treasurer's Instructions 903(13)(iv) requires the Disability Services Commission to disclose information relating to personal use. Table 4 details the personal expenditure using Government issued credit cards in 2018–19.

Table 4: Personal expenditure using Government issued credit cards in 2018–19

	2018–19
Number of instances the Western Australian Government Purchasing Card has been used for a personal purpose	36
Aggregate amount of personal use expenditure for the reporting period	\$2,916
Aggregate amount of personal use expenditure settled by the due date	\$687
Aggregate amount of personal use expenditure settled after the period required by the due date	\$2,068
Aggregate amount of personal use expenditure outstanding at the end of the reporting period	\$160
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	1

Section 40 Estimates

In accordance with Treasurer's Instruction 953, the annual estimates for the 2019–20 year are hereby enclosed in the 2018–19 annual report. These estimates do not form part of the 2018–19 financial statements and are not subject to audit.

Statement of Comprehensive Income

	2019–20 \$'000		2019–20 \$'000
Cost of services		Income	
Expenses		Sale of goods and services	59,024
Employee benefits	56,373	Grants and subsidies	235,169
Grants and subsidies	1,011	Other revenue	11,532
Supplies and services	964,470	Total Income	305,725
Accommodation	3,594	Net cost of services	1,022,268
Depreciation and amortisation	11,097	Income from State Government	
Finance costs	649	Service appropriations	1,016,341
Other expense	290,799	Resources received free of charge	6,076
Total cost of services	1,327,993	Royalties for Regions Fund:	
		Regional Community Services Fund	65
		Total income from State Government	1,022,482
		Surplus/(deficiency) for the period	214

Statement of Financial Position

	2019–20 \$'000
Current assets	
Cash assets	95,471
Restricted cash	2,189
Receivables	30,306
Other	2,418
Total current assets	130,384
Non-current assets	
Holding account receivables	75,792
Property, plant and equipment	16,002
Intangibles	759
Restricted cash	3,160
Other	32,373
Total non-current assets	128,086
Total assets	258,470

	2019–20 \$'000
Current liabilities	
Employee provisions	15,503
Payables	1,940
Other	944
Total current liabilities	18,387
Non-current liabilities	
Employee provisions	942
Employee provisions	13,834
Total non-current liabilities	14,776
Total liabilities	33,163
Equity	
Contributed equity	58,262
Accumulated surplus/(deficit)	125,906
Reserves	41,139
Total equity	225,307
Total liabilities and equity	258,470

Statement of Changes in Equity

	2019–20 \$'000
Contributed equity at start of period	53,736
Equity contributions during the period	4,526
Contributed equity at the end of the period	58,262
Accumulated surplus/(deficit) at start of period	125,692
Surplus/(deficit) for the period	214
Accumulated surplus/(deficit) at end of period	125,906

Statement of Cash Flows

	2019-20 \$'000		2019-20 \$'000
Cash flows from State Government		Cash flows from investing activities	
Service appropriations	1,005,244	Purchase of non-current assets	-
Capital appropriations	4,526	Proceeds from sale of non-current assets	-
Royalties for Regions Fund:		Net cash from investing activities	-
Regional Communities Services Fund	65	Cash flows from financing activities	
Net cash provided by State Government	1,009,835	Other payments	(4,526)
Cash flows from operating activities		Net cash from financing activities	(4,526)
Payments		Net increase/decrease in cash held	780
Employee benefits	(56,265)	Cash assets at the beginning of the reporting period	100,040
Grants and subsidies	(1,011)	Cash assets at the end of the reporting period	100,820
Supplies and services	(958,823)		
Accommodation	(2,868)		
Finance costs	(649)		
GST payments	(23,755)		
Other payments	(290,584)		
Receipts			
Grants and subsidies	235,169		
Sale of goods and services	59,024		
GST receipts	23,755		
Other receipts	11,478		
Net cash from operating activities	(1,004,529)		

Board and committee remuneration

Disability Services Commission Board remuneration

Position	Name	Board meetings attended	Type of remuneration	Period of membership ⁽¹⁾	Gross/actual remuneration 2018–19 financial year
Chairperson	Bruce Langoulant	11	Sitting fee	01/07/2018 – 30/06/2019	\$39,345
Deputy Chairperson	Priya Cooper	9	Sitting fee	01/07/2018 – 30/06/2019	\$14,940
Member	Gabrielle Trenbath	10	Sitting fee	01/07/2018 – 30/06/2019	\$8,677
Member	Melissa Northcott	9	Sitting fee	01/07/2018 – 30/06/2019	\$8,677
Member	Michelle Quigley	4	Sitting fee	02/12/2018 – 30/06/2019	\$5,061
Member	Jaimen Hudson	4	Sitting fee	02/12/2018 – 30/06/2019	\$5,061
Member	Su-Hsien Lee	10	Sitting fee	01/07/2018 – 30/06/2019	\$8,677
Member	Terina Grace	5	Sitting fee	01/01/2019 – 30/06/2019	\$4,338
Member	Kerry Allan-Zinner ⁽²⁾	4	Sitting fee	01/01/2019 – 30/06/2019	Nil
Member	Anwen Handmer	5	Sitting fee	01/07/2018 – 30/11/2018	\$3,615
Member	Russell Aubrey	3	Sitting fee	01/07/2018 – 30/11/2018	\$3,615
Member	Gavin Robins ⁽³⁾	4	Sitting fee	01/07/2018 – 30/11/2018	Nil
Member	Andrew Thompson ⁽²⁾	4	Sitting fee	01/07/2018 – 31/12/2018	Nil

(1) The period of membership refers to the board member's membership during the 2018–19 reporting period.

(2) Part of responsibilities of the Ministerial Advisory Council on Disability Chairperson; remunerated by the Ministerial Advisory Council on Disability.

(3) Public sector employees do not receive remuneration.

Ministerial Advisory Council on Disability remuneration

Position	Name	Type of remuneration	Period of membership ⁽¹⁾	Gross/actual remuneration 2018–19 financial year
Chairperson	Andrew Thompson	Sitting fee	01/07/2018 – 31/12/2018	\$9,622
Chairperson	Kerry Allan-Zinner	Sitting fee	01/01/2019 – 30/06/2019	\$9,473
Deputy Chairperson	Andrew Thompson	Sitting fee	01/01/2019 – 30/06/2019	\$4,135
Deputy Chairperson	Stephanie Coates ⁽²⁾	Sitting fee	01/07/2018 – 31/12/2018	Nil
Member	Antonio Vardaro	Sitting fee	01/07/2018 – 30/06/2019	\$5,555
Member	Carol Franklin	Sitting fee	01/07/2018 – 30/06/2019	\$5,555
Member	Carole Kagi	Sitting fee	01/07/2018 – 30/06/2019	\$5,555
Member	David Carrington ⁽²⁾	Sitting fee	01/07/2018 – 30/06/2019	Nil
Member	Justin Mortley ⁽²⁾	Sitting fee	01/07/2018 – 30/06/2019	Nil
Member	Justine Colyer	Sitting fee	01/07/2018 – 30/06/2019	\$5,555
Member	Piper Marsh	Sitting fee	01/07/2018 – 30/06/2019	\$5,555
Member	Nita Spedding	Sitting fee	01/07/2018 – 30/06/2019	\$5,555
Member	Grace Mills	Sitting fee	01/07/2018 – 30/06/2019	\$5,555
Member	Joan Foley	Sitting fee	01/07/2018 – 30/06/2019	\$5,555
Member	Kane Moyle	Sitting fee	01/07/2018 – 30/06/2019	\$5,555
Member	Peter Batini	Sitting fee	01/07/2018 – 30/06/2019	\$5,555

(1) The period of membership refers to the committee member's membership during the 2018–19 reporting period.

(2) Public sector employees do not receive remuneration.

Notes:

(a) Members are not paid in December.

(b) Remuneration is calculated per meeting (11 meetings per year).

WA NDIS Appeals Panel

In 2018–19, people participating in the WA NDIS had access to an independent WA NDIS Appeals Panel. Where people were dissatisfied with the results of a review, they could appeal the decision and have their case heard by the Panel. People could appeal decisions related to a number of areas including eligibility, reasonable and necessary supports, self-management of funds, extension of grace periods, plan reviews and the application of Compensation Reduction Amounts.

The Panel was chaired by an independent person who drew on a pool of appointed panel members also external to the Department of Communities, Disability Services. For each appeal, panel members were selected based on their expertise and experience relevant to the matter under consideration. The identity of panel members hearing appeals remained confidential to prevent potential lobbying from stakeholders.

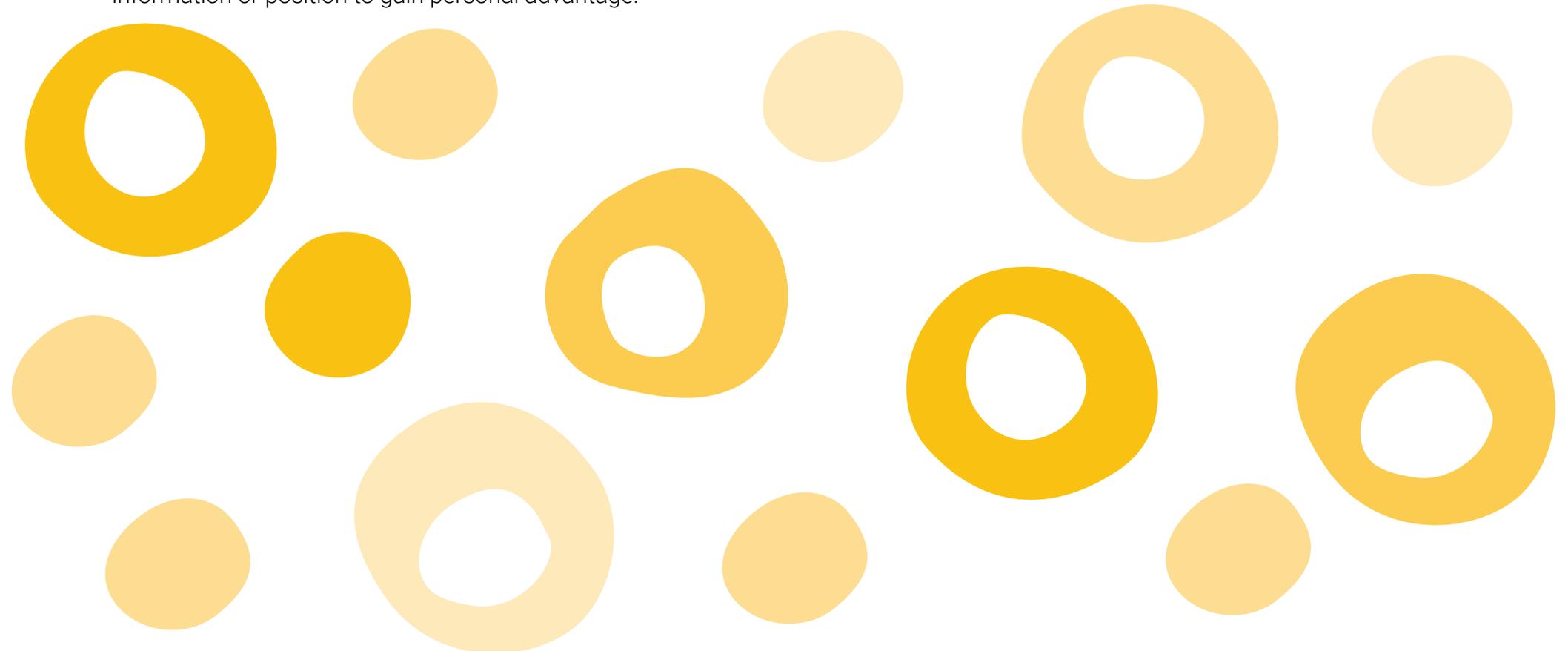
Member	Gross/actual remuneration 2018–2019 financial year
Panel Chair (Panel Member 1)	\$3,915.00
Panel Member 2 (paid directly to a disability sector organisation and not an individual)	\$1,563.00
Panel Member 3	\$351.00
Allied Health Specialist	\$702.00
Allied Health Specialist	\$702.00

Governance disclosures

Director's indemnity insurance

In 2018–19, the Disability Services Commission paid insurance premiums in respect of the liability of officers of the Authority in their capacity as directors and officers. The insurance policy covers:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain personal advantage.



Other legal requirements

Advertising

In accordance with section 175ZE of the *Electoral Act 1907*, the Commission incurred expenditure in advertising and media advertising. Total expenditure for 2018–19 was \$59,207.

Table 5: Advertising expenditure for 2018–19

Category	2018–19
Advertising agencies	\$12,985
Adcorp Australia Limited	\$4,692
Initiative Media Australia Pty Limited	\$8,293
Market research organisations	\$38,955
Patterson Research Group	\$38,955
Polling organisations	Nil
Direct mail organisations	\$7,267
Westcare Incorporated	\$7,267
Media advertising organisations	Nil

Disability Access and Inclusion Plan

The Department of Communities is committed to ensuring its services, facilities and information are accessible and inclusive for people with disability, their families and carers.

This commitment is demonstrated in its Disability Access and Inclusion Plan, which is reported in the Department of Communities 2018–19 Annual Report.

Substantive equality

The Disability Services Commission's commitment to substantive equality is reported in the Department of Communities 2018–19 Annual Report.

Recordkeeping plan

The Disability Services Commission's recordkeeping plan is reported in the Department of Communities 2018–19 Annual Report.

Quality of services

The Disability Services Commission is committed to ensuring the highest quality of supports and services for people with disability, their families and carers. Its Quality System measures compliance with the National Standards for Disability Services and enforces any required actions by service providers.

National Standards for Disability Services:

- (1) **Rights** – the service promotes individual rights to freedom of expression, self-determination and decision-making and actively prevents abuse, harm, neglect and violence.
- (2) **Participation and inclusion** – the service works with individuals and families, friends and carers to promote opportunities for meaningful participation and active inclusion in society.
- (3) **Individual outcomes** – services and supports are assessed, planned, delivered and reviewed to build on individual strengths and enable individuals to reach their goals.
- (4) **Feedback and complaints** – regular feedback is sought and used to inform individual and organisation-wide service reviews and improvement.
- (5) **Service access** – the service manages access, commencement and leaving a service in a transparent, fair, equal and responsive way.
- (6) **Service management** – the service has effective and accountable service management and leadership to maximise outcomes for individuals.

Quality and safeguarding

The Disability Services Commission's Quality System is underpinned by the National Standards and includes a range of coordinated activities aimed at enhancing and safeguarding the quality of service users' interactions with disability services.

Supports delivered by service providers are evaluated to ensure they make a positive difference to the lives of users, support their goals, and comply with the National Standards. The system focuses on quality individual planning processes, contemporary

person-centred approaches, safeguarding and support for people's decision-making and choice, as well as human rights and individual outcomes.

Services are evaluated in two ways: the first component is an annual self-assessment, which enables organisations to review their policies and procedures and report on their progress towards implementing the National Standards; the second component is independent evaluation, which involves an independent review of a disability sector organisation's compliance with the National Standards as well as individual outcomes and service improvement initiatives.

Consumer Liaison Service

The Consumer Liaison Service is an impartial and confidential means of raising and addressing concerns and complaints about disability services delivered by the Department of Communities. People with disability, their families and carers can access this service, which is guided by the principles of impartiality, timeliness, confidentiality and transparency. The service operates in accordance with the *Disability Services Act 1993* and the National Standards.

Complaints are accepted via a wide range of formats, including by telephone, letter, email, its website and in person. Complainants are encouraged in the first instance to raise their concerns at the local level. Unresolved concerns can be escalated and handled under the complaints management process.

People have the opportunity to respond and provide feedback on the way their complaint was managed and its outcome. People not satisfied with the management or outcome of their complaint are able to have their concerns reviewed through the Health and Disability Services Complaints Office. This independent statutory

authority provides a free and impartial complaints resolution service and is available to all users and providers of health and disability services.

Complaints received

The Disability Services Commission has a strong focus on resolving enquiries and concerns as soon as they are identified, in many cases preventing them from escalating to complaints.

There were 22 complaints received in 2018–19 compared to 30 in the previous year. Of the 22 complaints received, 18 were made by family members/guardians on behalf of a person with disability. Of these, seven were on behalf of an adult with disability and 11 were on behalf a child with disability (17 years and under). Three complaints were made by a person with disability and one was made by an advocate on behalf of a person with disability.

Nine complainants were satisfied with how their complaint was managed, two were undecided and 11 did not respond. Ten complainants were satisfied with the outcome of their complaint, two were undecided and 10 did not respond.

Consumer and Carer Survey

External consultants Patterson Research Group were contracted to conduct the Disability Services Commission’s 2019 Consumer and Carer Satisfaction Survey.

The survey collected data from a random sample of 570 people with disability and their carers using an approach that ensured different service types and age groups were adequately represented. Consumers and carers were asked about their service experience and satisfaction, as well as their awareness of the complaints process. The two tables that follow present details of the survey’s findings.

Consumer satisfaction of complaints process and awareness about their right to complain

Measure	2016–17	2017–18	2018–19
Consumer reported awareness of the right to complain	85%	86%	86%
Consumer didn’t wish to complain	78%	80%	82%
Consumer reported making at least one complaint	13%	13%	12%
Consumer reported a cause to complain but felt unable to do so	9%	7%	7%

Carer satisfaction of complaints process and awareness about their right to complain

Measure	2016–17	2017–18	2018–19
Carer reported receiving information about complaints	62%	61%	62%
Awareness of their right to complain	79%	77%	79%
Carer reported making at least one complaint	7%	7%	6%
Carer reported a cause to complain but felt unable to do so	10%	14%	9%
Carer satisfaction that every effort was made to find a solution	44%	52%	62%
Carer satisfaction with complaint outcome	44%	43%	57%

Implementing the Carers Charter

Carers are highly valued community members and sector stakeholders who play a vital role in the lives of people with disability and in the sector. The Disability Services Commission works together with carers to ensure ongoing compliance with the Carers Charter as mandated under section 6 of the *Carers Recognition Act 2004*. This includes taking practical measures to ensure staff comply with the Charter.

The Charter specifically requires that carers are treated with respect and dignity and are included in the assessment, planning, delivery and review of services that impact on them and their role. Carers' views, needs and interests are taken into account in decision-making that affects their role. Carers can make complaints about services that affect them.

The table below presents findings from the Consumer and Carer Survey, which reflect a continuing trend of high satisfaction levels with respect to the Carers Charter.

Responses from carers on questions relating to the Carers Charter

Measure	2016-17	2017-18	2018-19
Treated with respect by staff	93%	95%	96%
Included in service delivery	89%	90%	93%
Included in assessments	91%	91%	92%
Included in planning on review sessions	91%	93%	94%
Sensitive to carers' views	88%	88%	91%
Sensitive to carers' needs	82%	82%	84%

Disability Justice Service

The Disability Justice Service provides targeted services for Western Australians with disability interfacing with the criminal justice system.

The service includes prevention and diversion, clinical interventions, prison in-reach/out-reach and the operation of the Bennett Brook Disability Justice Centre. The service supports people with disability who are:

- sentenced and in custody (or held on remand)
- in a youth custodial setting or otherwise involved in the youth justice system
- in the broader community having had engagement with the justice system
- at risk of entering the justice system
- exiting a custodial setting.

In-reach, prevention and diversion services

Prevention, diversion and in-reach/out-reach services are provided to people with disability who have been sentenced, are on remand, are 'mentally impaired accused'¹ or who reside in the community. The in-reach/out-reach service provided information, advocacy, planning and support either directly, through government networks or via non-government agencies.

The service is supported by a multi-disciplinary team of allied health clinicians. The team works with government and non-government organisations to build the sector's capacity to

¹ 'Mentally impaired accused' are persons who have been deemed unfit to stand trial and placed on a Custody Order by the Court, in accordance with the *Criminal Law (Mentally Impaired Accused) Act 1996*. The cases of mentally impaired accused are managed by the Mentally Impaired Accused Review Board.

support people with disability, particularly regarding issues related to offending behaviour. Over the past 12 months, the service provided support to approximately 191 individuals in the community and in various custodial settings.

In addition, the service delivered disability awareness training to staff working in the justice system. This included police officers, prison officers, youth justice officers, community corrections officers and medical or allied health staff. Disability Justice Service staff delivered 30 training sessions during the year.

Disability Justice Centre

The Bennett Brook Disability Justice Centre is the State's only declared place, established for the detention, habitation and rehabilitation of mentally-impaired accused people. The Centre provides an alternative to prison for people with an intellectual disability or cognitive impairment who are found unfit to stand trial due to their disability.

The State Government committed to the urgent reform of Western Australia's current mentally-impaired accused legislation during the first year of a new Government. In 2018–19, the existing *Criminal Law (Mentally Impaired Accused) Act 1996* was extensively reviewed following strong advocacy for the removal of indefinite detention for mentally-impaired accused who are unfit to stand trial. Department of Communities has been working closely with the Department of Justice which is progressing the necessary reforms to the legislation. Proposed amendments to the legislation are designed to improve the accessibility of the justice system for mentally-impaired accused with disability, and to provide courts with greater flexibility in sentencing options.

Reporting and compliance

In 2018–19, four people resided at the Centre. Residents were supported to access leave of absences granted by the Mentally Impaired Accused Review Board, which enabled them to leave the Centre and participate in activities within the community. Over the past year the residents participated in 403 leave of absences; of these, two were not completed according to conditions contained in their leave of absence orders.

The Centre works with the Mental Health Advocacy Service to ensure mandatory reporting occurs, as required by the *Declared Places (Mentally Impaired Accused) Act 2015*, and that advocacy services are provided for all residents. In 2018–19, the Mental Health Advocacy Service conducted visits to residents of the Centre in accordance with legislative requirements and received all required reporting from the Disability Services Commission.

Government policy requirements

Compliance with Public Sector Standards and ethical codes

The Disability Services Commission employs staff directly and also uses Department of Communities staff to perform its functions. The Department of Communities 2018–19 Annual Report for provides information on compliance with Public Sector Standards and ethical codes.

Occupational safety and health

The Disability Services Commission is committed to providing, maintaining and promoting safe and healthy work practices in all aspects of its business.

The Department of Communities 2018–19 Annual Report for provides information on workers' compensation and injury management performance for the Disability Services Commission.

Government building training policy

There were no contracts that met the requirement for reporting against the Government building training policy during 2018–19.

