



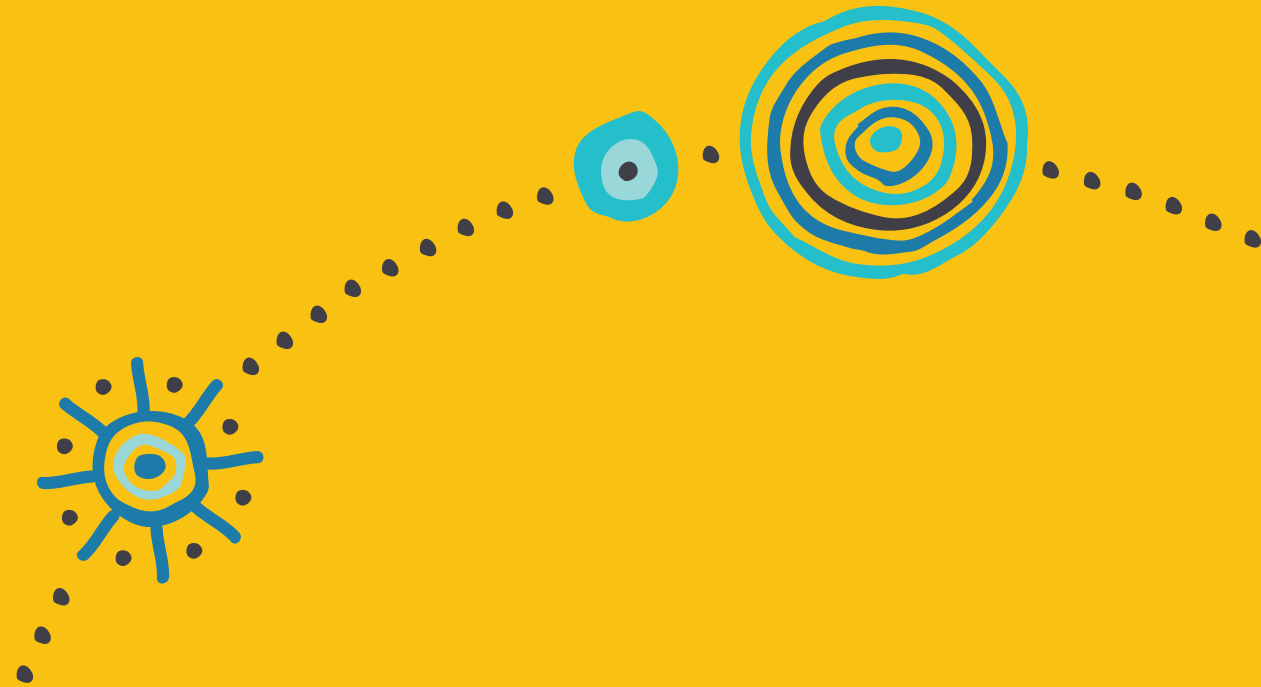
Government of **Western Australia**
Department of **Communities**



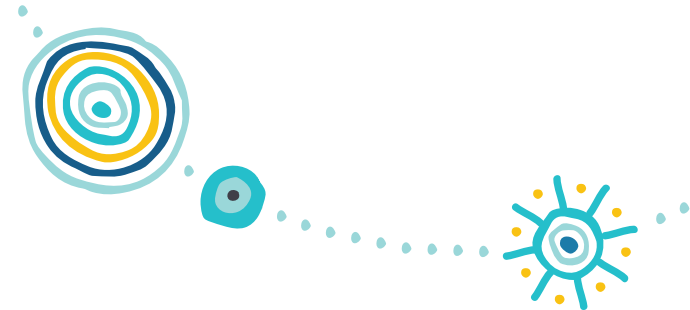
Disability Services Commission

2017–18

Annual Report



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Statement of compliance



Hon Stephen Dawson MLC
Minister for Disability Services

For the year ended 30 June 2018.

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 2018.

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 'G Searle', written in a cursive style.

Grahame Searle
Accountable Authority

24 August 2018

A handwritten signature in black ink, appearing to read 'Bruce Langoulant', written in a cursive style.

Bruce Langoulant
Chairperson
Disability Services Commission Board

24 August 2018

Accessibility statement









This annual report has been designed and written to make it accessible to as many people as possible. This helps ensure that people with vision impairment and people who use screen readers are able to read it. The report is also available online in two formats – PDF and Word. This report can be provided in other formats 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 future.

Contact details

Department of Communities

 Address 189 Royal Street, East Perth WA 6004	 Telephone 08 6217 6888	 Email enquiries@communities.wa.gov.au	 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 .
 PO Address PO Box 6334, East Perth WA 6892	 Country free call 1800 176 888	 Website www.communities.wa.gov.au	
		 Translating and Interpreting Service (TIS) – Telephone 13 14 50	



Overview

Chairperson's report

The 2017-18 year has been a landmark one for the Disability Services Commission, now part of the broader Department of Communities.

On 12 December 2017, the Commonwealth and Western Australian governments agreed that Western Australia will join the Australia-wide National Disability Insurance Scheme (NDIS). The advantages of the Australia-wide NDIS reinforce the State's steadfast commitment to people with disability.

In 2017-18, the Board welcomed three new members in Priya Cooper, Gabrielle Trenbath and Anwen Handmer, and farewelled Rachel Skoss and Julie Carr. We have continued to connect with the community about the NDIS through reference network meetings, peak body forums and information sessions. Board members have also strengthened their ties with members of the Ministerial Advisory Council for Disability to more effectively identify and offer solutions to disability issues.

This partnership approach is reflected in established arrangements between the State Government, the disability sector, people with disability, families and carers that are supporting the development and transition to full scheme implementation of the NDIS in Western Australia. These connections play a pivotal role in providing people with choice and control and localised decision making. This includes ensuring that safe, quality services are being delivered to meet increased demand across metropolitan, regional and remote areas.

Whilst the challenges of transitioning to the Australia-wide NDIS are great, so too are the opportunities. I have no doubt that staff will continue to work tirelessly to create better outcomes for people with disability, their families and carers in the year to come.

Executive summary

In 2017, the Premier of Western Australia announced a series of machinery of government changes to the public sector commencing with the amalgamation of a number of government departments. As a result of the machinery of government change, the Disability Services Commission joined the Department of Communities on 1 July 2017, along with several other existing agencies and their components, including:

- Department for Child Protection and Family Support
- Department of Housing (including Housing Authority)
- The communities component of the Department of Local Government and Communities
- Regional Services Reform Unit
- The regional coordination and engagement component of the former Department of Aboriginal Affairs.

At the creation of the Department of Communities, public sector officers employed by the Disability Services Commission were transferred to the Department of Communities. 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.

Operational structure

Responsible Minister

The Hon Stephen Dawson MLC, Minister for Disability Services.

Enabling legislation

The Disability Services Commission was established under the *Disability Services Act 1993*, which identifies its primary functions as being 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 has nine members and meets 11 times a year. Extraordinary meetings occur as required.

At least five members of the Board have a disability, have a relative 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 welcome to share their perspectives and raise any concerns at these events.

Board members

Bruce Langoulant (Chair)

Priya Cooper (Deputy Chair) – commenced August 2017

Russell Aubrey

Melissa Northcott

Gavin Robins

Anwen Handmer – commenced August 2017

Gabrielle Trenbath – commenced August 2017

Andrew Thompson – commenced January 2018

Dr Rachel Skoss – ceased December 2017

Julie Carr – ceased April 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 the community and key stakeholders, including the Board Chair and Chief Executive Officer, 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.

The Council comprises 14 members with skills, experience or knowledge associated with disability. They include people with disability, their families and carers, service providers and advocates. The Chair of the Council sits on the Board.

Organisational structure

The positions of Chief Executive Officer of the Disability Services Commission and Director General of the Department of Communities were held by the same officer, Grahame Searle.

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 Disability Services Commission's functions.

Department of Communities Corporate Structure

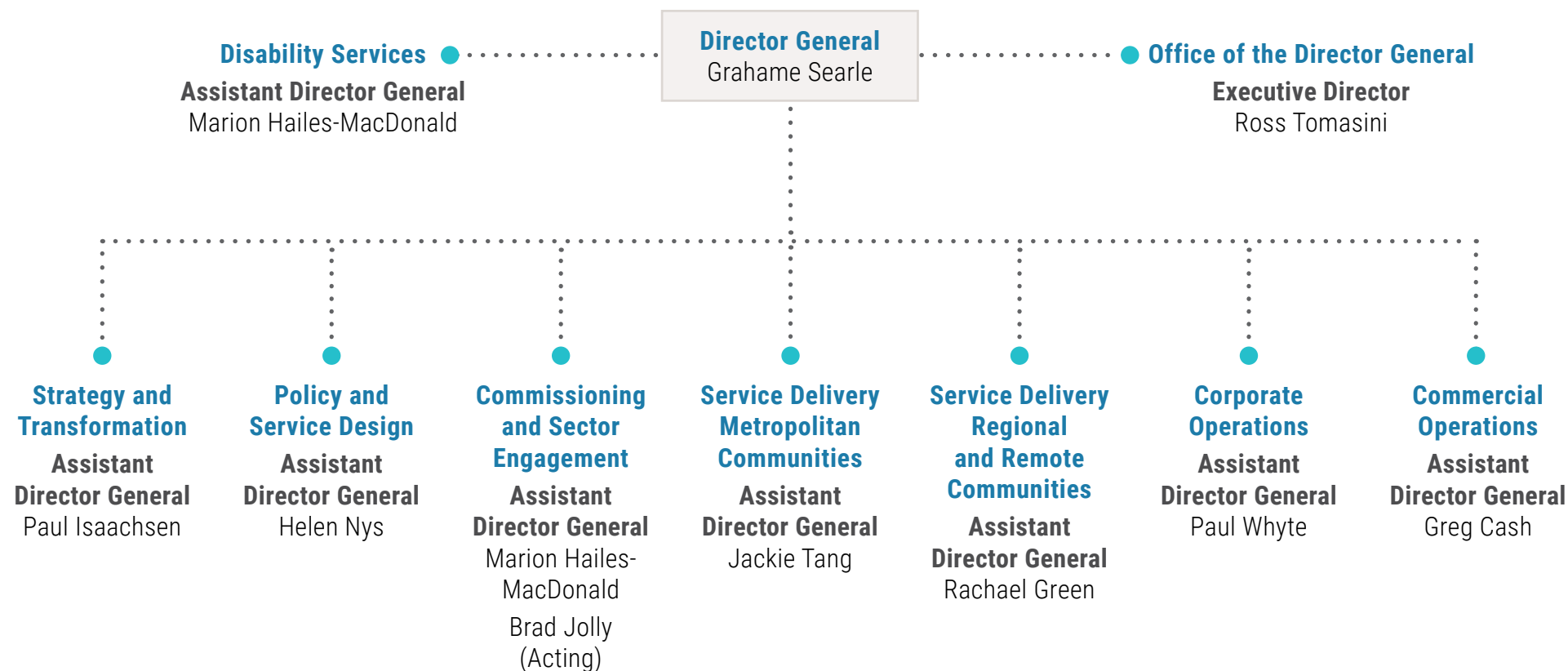


Figure 2: Department of Communities corporate structure



Agency performance

Report on operations

The activities of the Disability Services Commission have been reported in the Department of Communities Annual Report for 2017-18.

Expenses

The Disability Services Commission's expenditure during 2017-18 was \$1,029.87 million, representing a 10 per cent increase from the previous year. This increase is mainly attributable to increased funding for the transition of the NDIS in Western Australia.

Consistent with the trend of recent years, 77 per cent of the Disability Services Commission's expenses were allocated to disability sector organisations for the provision of services to people with disability.

Measure	2015-16 (\$ millions)	2016-17 (\$ millions)	2017-18 (\$ millions)	Change from 2016-17
Disability sector organisations' operations and services	\$674.42	\$697.55	\$788.74	13%
Disability Services Commission operations and services	\$236.33	\$235.87	\$241.13	2%

Income

Income from the Commonwealth Government reported during 2017-18 was \$238.64 million, representing a 25 per cent increase from the previous year. This is mainly attributable to increased Commonwealth funding for the transition of the NDIS in Western Australia.

Income from the State Government reported during the period was \$866.84 million, an increase of 21 per cent. This increase is primarily a result of significant investment toward the transition of the NDIS in Western Australia by the State Government.

During 2017-18, income from other sources was \$47.94 million, representing a 52 per cent increase from the previous year. This revenue increase is mainly attributable to the recoup of previous years' funding for undelivered services from disability sector organisations, board and lodging, and Commonwealth payment for shared grants.

Three-year trend

Measure	2015-16 (\$ millions)	2016-17 (\$ millions)	2017-18 (\$ millions)	Change from 2016-17
Total expenditure	\$910.75	\$933.42	\$1,029.87	10%
Income from the Commonwealth Government	\$157.71	\$190.55	\$238.64	25%
Income from the State Government	\$725.97	\$714.59	\$866.84	21%
Income from other sources	\$17.01	\$31.45	\$47.94	52%

Funding to disability sector organisations

A total of 210 disability sector organisations received funding from the Disability Services Commission in 2017-18, compared with 161 in 2016-17.

The increased number of organisations contracted for under \$1 million is mainly due to an increased number of new therapy providers registered with the Disability Services Commission during the year.

Funding amount	2016-17	2017-18
< \$1 million	91	133
\$1,000,001 - \$5 million	39	42
\$5,000,001 - \$20 million	23	24
> \$20 million	8	11
Total	161	210



Significant issues impacting the agency

The significant issues impacting the Disability Services Commission are reported in the Department of Communities' Annual Report for 2017-18.



Disclosures and legal compliance

Performance management framework

The performance management framework is reported in the Department of Communities' Annual Report for 2017-18.

Resource Agreement summary

The Resource Agreement summary is reported in the Department of Communities' Annual Report for 2017-18.

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 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the 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 2018.

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 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the 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 2018.

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 2018 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
27 August 2018

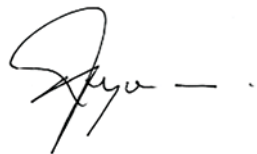
Financial statements

Certification of financial statements

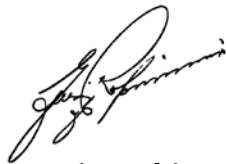
For the year ended 30 June 2018

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 2018 and the financial position as at 30 June 2018.

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



Bruce Langoulant
Chairperson
Disability Services Commission Board
24 August 2018



Gavin Robins
Board Member
Disability Services Commission Board
24 August 2018



Liam Carren
Chief Finance Officer
24 August 2018

Statement of Comprehensive Income

For the year ended 30 June 2018

	Note	2018 \$000	2017 \$000
Cost of services			
Expenses			
Employee benefits expense	6	162,128	163,328
Supplies and services	8	28,051	22,762
Depreciation and amortisation expense	9	5,606	5,850
Accommodation expenses	10	10,899	11,621
Expenditure on services provided by funded agencies		788,738	697,546
Individual funding and other grants		31,989	29,663
Loss on disposal of non-current assets	16	129	408
Other expenses	11	2,334	2,246
Total Cost of Services		1,029,874	933,424
Income			
Revenue			
User charges and fees	13	3,355	4,699
Commonwealth grants and contributions	14	238,643	190,548
Gain on disposal of non-current assets	16	—	5
Other revenue	15	44,579	26,745
Total Revenue		286,577	221,997
Total income other than income from State Government		286,577	221,997
Net cost of services		743,297	711,427
Income from State Government	17		
Service appropriation		860,989	709,158
Services received free of charge		5,782	5,364
Royalties for Regions Fund		65	65
Total income from State Government		866,836	714,587
Surplus for the period		123,539	3,160
Other comprehensive income			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	28	(225)	(860)
Total other comprehensive income		(225)	(860)
Total comprehensive income for the period		123,314	2,300

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes. Refer to note 39 for 'Schedule of Income and Expenses by Service'.

Statement of Financial Position

As at 30 June 2018

	Note	2018 \$000	2017 \$000
Current Assets			
Cash and cash equivalents	29	94,569	4,443
Restricted cash and cash equivalents	18,29	2,189	23,276
Receivables	19	30,306	4,812
Amounts receivable for services	20	—	404
Other current assets	21	14,418	1,838
Total Current Assets		141,482	34,773
Non-Current Assets			
Restricted cash and cash equivalents	18,29	1,600	800
Amounts receivable for services	20	58,618	56,042
Property, plant and equipment	22	36,302	39,620
Intangible assets	24	4,851	4,654
Total Non-Current Assets		101,371	101,115
Total Assets		242,853	135,888
Current Liabilities			
Payables	26	8,556	23,471
Provisions	27	13,699	31,165
Total Current Liabilities		22,255	54,636
Non-Current Liabilities			
Provisions	27	942	5,217
Total Non-Current Liabilities		942	5,217
Total Liabilities		23,197	59,853
Net Assets		219,656	76,035
Equity			
Contributed equity	28	53,735	33,428
Reserves		41,140	41,365
Accumulated surplus		124,781	1,242
Total Equity		219,656	76,035

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 2018

	Note	Contributed Equity \$000	Reserves \$000	Accumulated surplus/ (deficit) \$000	Total equity \$000
Balance at 1 July 2016	28	35,321	42,225	(1,918)	75,628
Surplus		–	–	3,160	3,160
Other comprehensive income		–	(860)	–	(860)
Total comprehensive income for the period		–	(860)	3,160	2,300
Transactions with owners in their capacity as owners:					
Capital Appropriations		807	–	–	807
Distributions to owners		(2,700)	–	–	(2,700)
Total		(1,893)	–	–	(1,893)
Balance at 30 June 2017		33,428	41,365	1,242	76,035
Balance at 1 July 2017					
		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

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 2018

	Note	2018 \$000 Inflows (Outflows)	2017 \$000 Inflows (Outflows)
Cash flows from State Government			
Service appropriation		854,707	702,876
Capital appropriation		772	807
Holding account drawdown		4,110	509
Royalties for Regions Fund		65	65
Net cash provided by State Government		859,654	704,257
Utilised as follows:			
Cash flows from operating activities			
Payments			
Employee benefits		(163,327)	(165,455)
Supplies and services		(42,785)	(30,108)
Payments for services provided by funded agencies		(788,738)	(697,546)
Individual funding and other grants		(31,989)	(29,663)
Receipts paid into Consolidated Account		(21,384)	(67,800)
GST payments on purchases		(82,609)	(72,817)
GST payments to taxation authority		(2,289)	(1,416)
Receipts			
User charges and fees		3,336	4,733
Commonwealth grants and contributions		224,809	211,932
GST receipts on sales		3,357	1,675
GST receipts from taxation authority		81,247	74,189
Other receipts		33,397	27,138
Net cash used in operating activities	29	(786,975)	(745,138)
Cash flows from investing activities			
Payments			
Purchase of non-current physical assets		(2,840)	(4,659)
Receipts			
Proceeds from sale of non-current physical assets		–	–
Net cash used in investing activities		(2,840)	(4,659)
Net increase/(decrease) in cash and cash equivalents		69,839	(45,540)
Cash and cash equivalents at the beginning of period		28,519	74,059
Cash and cash equivalents at the end of period	29	98,358	28,519

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 2018

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2018 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 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 operative) by the Commission for the annual reporting period ended 30 June 2018.

Note 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:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

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 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.

Gains

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

(f) 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 (Valuation Services) 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 that 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 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 are 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
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(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 profit or loss. 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:

- Receivables
- 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 26 '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.

(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 (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The 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 agency'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 profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(r) 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.

Note 3. Judgements made by management in applying accounting policies

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

Note 4. Key sources of estimation uncertainty

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

Long service leave

Several estimations and assumptions used in calculating the 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.

Note 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
<p>AASB 9 Financial Instruments</p> <p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 Amendments to Australian Accounting Standards. The Commission has not yet determined the application or the potential impact of the Standard.</p>	<p>1 January 2018</p>

Title	Operative for reporting periods beginning on/ after
<p>AASB 15 Revenue from Contracts with Customers</p> <p>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 application date of this Standard is currently 1 January 2019, after being amended by AASB 2016-7.</p> <p>The Commission's income is principally derived from appropriations, which will be measured under AASB 1058 and will be unaffected by this change. However, the agency has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Other' revenue. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the agency has discharged its performance obligations.</p>	<p>1 January 2019</p>

Title	Operative for reporting periods beginning on/ after
<p>AASB 16 Leases</p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the Commission currently has operating lease commitments for \$15.987 million worth of non-cancellable operating leases, which will mostly be brought onto the Statement of Financial Position. Interest and amortisation expense will increase and rental expense will decrease.</p>	1 January 2019
<p>AASB 1058 Income of Not-for-Profit Entities</p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, 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 an agency. The Commission anticipates that the application will not materially impact appropriation or untied grant revenues.</p>	1 January 2019

Title	Operative for reporting periods beginning on/ after
<p>AASB 1059 Service Concession Arrangements: Grantors</p> <p>This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The Commission has not identified any public private partnerships within scope of the Standard.</p>	1 January 2019
<p>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Int 2, 5, 10, 12, 19 and 127]</p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. Other than the exposures to AASB 9 noted above, the Commission is only insignificantly impacted by the application of the Standard.</p>	1 January 2018

Title	Operative for reporting periods beginning on/ after
<p>AASB 2014-1 Amendments to Australian Accounting Standards</p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. These changes have no impact as Appendix E has been superseded and the Commission was not permitted to early adopt AASB 9.</p>	1 January 2018
<p>AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 January 2018
<p>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 January 2018

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

Title	Operative for reporting periods beginning on/ after
<p>AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 January 2019

Note 6. Employee benefits expense

	2018 \$000	2017 \$000
Wages and salaries ^(a)	138,443	138,067
Termination Benefits	10,724	12,170
Superannuation – defined contribution plans ^(b)	12,961	13,091
	162,128	163,328

(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 \$1.014 million (2016-17: \$0) and Housing Authority \$0.459 million (2016-17: \$0).

(b) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBSs) and other eligible funds. Amount paid to GESB is \$10,849,051 (\$11,521,776 in 2017).

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

Employment on-costs liability is included at note 27 'Provisions'.

Note 7. Compensation of 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

Compensation Band (\$)	2018	2017
0 – 10,000	5	6
10,001 – 20,000	3	1
20,001 – 30,000	–	1
40,001 – 50,000	1	1
	9	9

Compensation of Other Senior Officers ⁽¹⁾

Compensation Band (\$)	2018	2017
120,001 – 130,000	1	–
130,001 – 140,000	–	1
140,001 – 150,000	–	1
160,001 – 170,000	–	1
170,001 – 180,000	–	1
190,001 – 200,000	1	–
200,001 – 210,000	–	2
210,001 – 220,000	1	1
440,001 – 450,000	–	1
460,001 – 470,000	1	–
	4	8

	\$000	\$000
Short-term employee benefits	588	1,506
Post-employment benefits	61	149
Other long-term benefits	40	167
Termination benefits	419	–
Total compensation of key management personnel	1,108	1,822

(1) Where the key management person performs services across the Department of Communities, Disability Services Commission and Housing Authority, the person's compensation is included in the Department of Communities' Annual Report.

(2) The decrease in the number of other senior officers compared to prior year is due to machinery of government changes.

Note 8. Supplies and services

	2018 \$000	2017 \$000
Communications	1,752	1,448
Consultants and contractors ^(a)	16,242	11,052
Consumables	5,644	6,381
Repairs and maintenance	576	485
Lease rentals (motor vehicles) ^(b)	1,916	2,213
Travel	647	531
Other	1,274	652
	28,051	22,762

(a) Department of Communities \$0.330 million (2016-17: \$0) and Housing Authority \$0.164 million (2016-17: \$0).

(b) Department of Finance \$1.800 million (2016-17: \$2.094 million) and Department of Transport \$0.117 million (2016-17: \$0.119 million).

Note 9. Depreciation and amortisation expense

	2018 \$000	2017 \$000
Depreciation		
Buildings	291	378
Plant and equipment	28	33
Computer equipment	1,931	2,073
Medical equipment	13	16
Motor vehicles	3	2
Office equipment	95	113
Leasehold improvements	1,708	1,725
Total depreciation	4,069	4,340
Amortisation		
Intangible assets	1,537	1,510
Total amortisation	1,537	1,510
Total depreciation and amortisation	5,606	5,850

Note 10. Accommodation expenses

Lease rentals ^(a)	8,262	8,148
Repairs and maintenance	2,006	2,811
Cleaning	338	326
Other	293	336
	10,899	11,621

(a) Department of Finance \$6.813 million (2016-17: \$7.267 million), Housing Authority \$0.573 million (2016-17: \$0.345 million), Department of Communities \$0.528 million (2016-17: \$0).

Note 11. Other expenses

	2018 \$000	2017 \$000
Insurance	327	508
Doubtful debts	41	24
Employment on-costs (Workers Compensation Insurance) ^(a)	1,946	1,704
Other	20	10
	2,334	2,246

(a) Riskcover \$1.946 million (2016-17: \$1.704 million)

Note 12. 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, that are included in the whole of government consolidated financial statements
- the Government Employees Superannuation Board (GESB).

Significant transactions with government related entities

In conducting its activities, the agency 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 11)
- Other revenue from Department of Health (Note 15)
- Service appropriations (Note 17)
- Services received free of charge (Note 17)
- Royalties for Regions Fund (RfR) (Note 17)
- Receivables (Note 19)
- Other current assets (Note 21)
- Payables (Note 26)
- Equity (Note 28)
- Remuneration for services provided by the Auditor General (Note 35).

(a) WA Country Health Service \$2.655 million (2016-17: \$3.868 million), East Metropolitan Health Service \$1.696 million (2016-17: \$2.001 million), North Metropolitan Health Service \$1.483 million (2016-17: \$1.075 million) and South Metropolitan Health Service \$1.214 million (2016-17: \$1.379 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:

- \$52.9 million and \$0.697 million to Ability Centre and WA Disabled Sports Association respectively. Both entities are related parties of Board Member Priya Cooper. The Ability Centre is also a related party of Board Member Melissa Northcott.
- \$35.03 million to Avivo, which is a related party of Board Member Gabrielle Trenbath.
- \$0.207 million to Black Swan Health and \$28.9 million to Therapy Focus. Both entities are related parties of Board Member Julie Carr.
- \$0.209 million payment to disability service providers to provide services to a family member of the Board Chair.

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).

Note 13. User charges and fees

	2018 \$000	2017 \$000
Board and lodging	3,355	4,699
	3,355	4,699

Note 14. Commonwealth grants and contributions

	2018 \$000	2017 \$000
National Disability Agreement	142,339	148,330
National Partnership Payments	–	26,457
National Partnership Payments – Home and Community Care (HACC)	5,747	3,016
National Partnership Payments – Pay Equity	15,726	12,513
National Partnership Payments – Transition to National Disability Insurance Scheme (NDIS) in WA	70,838	–
Other	3,993	232
	238,643	190,548

Note 15. Other revenue

Recoup from National Disability Insurance Agency (NDIA) for DSC Accommodation Services provided in Perth Hills	11,670	15,285
Department of Health – HACC and Community Aids and Equipment Program (CAEP)	1,928	1,794
Executive vehicle scheme contribution	88	83
Government employee housing authority – Employee contribution	199	143
Recoups and return of surplus grants from service providers	25,766	6,931
Other	4,928	2,509
	44,579	26,745

Note 16. Net gain/(loss) on disposal of non-current assets

	2018 \$000	2017 \$000
Proceeds from disposal of non-current assets		
Land, plant, equipment and buildings	–	5
Carrying amount of non-current assets disposed		
Land, plant, equipment and buildings	(129)	(408)
Net gain/(loss)	(129)	(403)

Note 17. Income from State Government

Appropriation received during the period:		
Service appropriation ^(a)	860,989	709,158
	860,989	709,158
Services received free of charge from other State government agencies during the period:		
Child and Adolescent Health Services	3,070	2,903
North Metropolitan Health Services	1,805	1,925
State Solicitor's Office	67	104
Department of Finance	539	432
Department of Communities	301	–
	5,782	5,364
Royalties for Regions Fund – Department of Primary Industries and Regional Development	65	65
	866,836	714,587

(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.

Note 18. Restricted cash and cash equivalents

	2018 \$000	2017 \$000
Current		
WA NDIS My Way ^(a)	–	21,384
Other	2,189	1,892
	2,189	23,276
Non-current		
27th pay provision ^(b)	1,600	800
	1,600	800

(a) Unspent funds – My Way Trial Site supported packages (excludes administration cost).

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

Note 19. Receivables

Current		
Receivables ^(a)	20,012	1,889
Allowance for impairment of receivables	(97)	(56)
Accrued revenue	7,364	247
GST receivable	3,027	2,732
	30,306	4,812

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period	56	90
Doubtful debts expense	41	24
Amounts written off during the period	–	(58)
Amount recovered/written back during the period	–	–
Balance at end of period	97	56

(a) Department of Justice \$0.117 million (2016-17: \$0), Department of Communities \$0.058 million (2016-17: \$0), and RiskCover \$0.794 million (2016-17: \$0.57 million).

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

Note 20. Amounts receivable for services (Holding Account)

	2018 \$000	2017 \$000
Current	–	404
Non-current	58,618	56,042
	58,618	56,446

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

Note 21. Other current assets

Prepayments ^(a)	14,418	1,838
	14,418	1,838

(a) \$13 million payment to Housing Authority to redevelop group homes (2016-17: \$0).

Note 22. Property, plant and equipment

	2018 \$000	2017 \$000
Land		
At fair value ^(a)	17,436	17,600
	17,436	17,600
Buildings		
At fair value ^(a)	9,036	9,353
	9,036	9,353
Computing equipment		
At cost	14,203	13,926
Accumulated depreciation	(9,758)	(7,827)
	4,445	6,099
Medical equipment		
At cost	199	204
Accumulated depreciation	(150)	(137)
	49	67
Motor vehicle		
At cost	57	14
Accumulated depreciation	(3)	–
	54	14
Plant and equipment		
At cost	467	525
Accumulated depreciation	(377)	(404)
	90	121

	2018 \$000	2017 \$000
Office equipment		
At cost	579	594
Accumulated depreciation	(378)	(403)
	201	191
Leasehold improvements		
At cost	19,373	19,022
Accumulated depreciation	(14,711)	(13,612)
	4,662	5,410
Work in progress	329	765
	36,302	39,620

a) Land and buildings were revalued as at 1 July 2017 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2018 and recognised at 30 June 2018. In undertaking the revaluation, fair value was determined by reference to market values for land: \$12.276 million (2017: \$12.160 million) and buildings: \$0.897 million (2017: \$0.857 million). For the remaining balance, fair value of land was determined based on current use land value. For the remaining balance, fair value of buildings was determined based on 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 23.

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
2017	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	18,659	11,839	6,613	108	4	138	298	4,998	1,849	44,506
Additions	–	–	–	–	–	21	6	47	3,349	3,423
Disposals	–	(193)	–	(31)	(2)	(5)	–	(179)	–	(410)
Depreciation	–	(378)	(2,073)	(16)	(2)	(33)	(113)	(1,725)	–	(4,340)
Transfers ^(a)	(1,080)	(1,620)	–	–	–	–	–	–	–	(2,700)
Transfer between classes	–	585	1,558	6	14	–	–	2,269	(4,432)	–
Revaluation increments/ (decrements)	21	(881)	–	–	–	–	–	–	–	(860)
Carrying amount at end of year	17,600	9,353	6,099	67	14	121	191	5,410	765	39,620

(a) Transfer of land and buildings to Housing Authority. Refer to note 28 Equity.

Note 23. Fair Value Measurements

Assets measured at fair value

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair Value At end of period \$000
2018				
Land (Note 22)	–	12,276	5,161	17,437
Buildings (Note 22)	–	897	8,139	9,036
	–	13,173	13,300	26,473
2017				
Land (Note 22)	–	12,160	5,440	17,600
Buildings (Note 22)	–	857	8,496	9,353
	–	13,017	13,936	26,953

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
2018		
Fair Value at start of period	5,440	8,496
Additions	–	18
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(279)	(121)
Transfers (from/(to) Level 2)	–	–
Disposals	–	–
Depreciation expense	–	(254)
Fair Value at end of period	5,161	8,139
Total gains or losses for the period included in profit or loss, under 'Other Gains'	–	–
2017		
Fair Value at start of period	5,782	8,755
Additions	–	577
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(300)	(559)
Transfers (from/(to) Level 2)	–	–
Disposals	(42)	–
Depreciation expense	–	(277)
Fair Value at end of period	5,440	8,496
Total gains or losses for the period included in profit or loss, under 'Other Gains'	–	–

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 (Valuation Services) 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 (Valuation Services). 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 the assets being held to deliver a specific community service.

Note 24. Intangible assets

	2018 \$000	2017 \$000
Computer software		
At cost	14,498	13,511
Accumulated amortisation	(10,911)	(9,374)
Work in progress	1,264	517
	4,851	4,654

Reconciliation

Computer software		
Carrying amount at start of period	4,137	5,302
Additions	987	345
Amortisation expense	(1,537)	(1,510)
Carrying amount at end of period	3,587	4,137

Work in progress

Carrying amount at start of period	517	119
Additions	1,734	743
Capitalised	(987)	(345)
Carrying amount at end of period	1,264	517

Total intangible assets

Carrying amount at start of period	4,654	5,421
Additions	2,721	1,088
Capitalised	(987)	(345)
Amortisation expense	(1,537)	(1,510)
Carrying amount at end of period	4,851	4,654

Note 25. Impairment of assets

There were no indications of impairment to property, plant and equipment and intangible assets at 30 June 2018.

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.

Note 26. Payables

	2018 \$000	2017 \$000
Current		
Trade Payables ^(a)	6,940	1,021
State and Commonwealth grant contribution	–	21,384
Accrued expenses	1,032	614
Accrued salaries	584	452
	8,556	23,471

(a) Department of Communities \$1.872 million (2016-17: \$0) and Housing Authority \$0.662 million (2016-17: \$0).

Note 27. Provisions

	2018 \$000	2017 \$000
Current		
Employee benefits provision		
Annual leave ^(a)	3,823	10,304
Long service leave ^(b)	4,949	14,102
Accrued days off ^(a)	2,137	2,673
Public holidays ^(a)	2,436	3,041
Deferred salary	160	206
Time off in lieu ^(a)	11	14
	13,516	30,340
Other provisions		
Employment on-costs ^(c)	183	825
	183	825
	13,699	31,165
Non-current		
Employee benefits provision		
Long service leave ^(b)	929	5,079
	929	5,079
Other provisions		
Employment on-costs ^(c)	13	138
	13	138
	942	5,217

(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:

	2018 \$000	2017 \$000
Within 12 months of the end of the reporting period	7,455	13,463
More than 12 months after the end of the reporting period	951	2,570
	8,406	16,033
(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	1,936	4,852
More than 12 months after the end of the reporting period	3,943	14,328
	5,879	19,180

(a) 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 11 'Other expenses'.

Movement employment on-cost provision

Carrying amount at start of the period	963	4,368
Additional/ (reversals of) provision recognised	(767)	(3,405)
Carrying amount at the end of the period	196	963

Note 28. 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

	2018 \$000	2017 \$000
Balance at start of period	33,428	35,321
Contributions by owners		
Capital appropriation	772	807
Other contributions by owners		
Transfer of leave liability to Department of Communities	19,535	–
Total contributions by owners	20,307	807
Distributions to owners		
Transfer of land and building to Housing Authority	–	(2,700)
Total distributions to owners	–	(2,700)
Balance at end of period	53,735	33,428

Reserves

Asset revaluation surplus

	2018 \$000	2017 \$000
Balance at start of period	41,365	42,225
Net revaluation increments/(decrements)		
Land	(164)	21
Buildings	(61)	(881)
Balance at end of period	41,140	41,365

Accumulated surplus

Balance at start of period	1,242	(1,918)
Result for the period	123,539	3,160
Balance at end of period	124,781	1,242
Total equity at end of period	219,656	76,035

Note 29. 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:

Cash and cash equivalents	94,569	4,443
Restricted cash and cash equivalents (refer to note 18)	3,789	24,076
	98,358	28,519

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

	2018 \$000	2017 \$000
Net cost of services	(743,297)	(711,427)
Non-cash items		
Depreciation and amortisation expense (note 9 'Depreciation and amortisation expense')	5,606	5,850
Services received free of charge (note 17 'Income from State Government')	5,782	5,364
Net (gain)/loss on sale of property, plant and equipment (note 16 'net gain/(loss) on disposal of non-current assets.	129	403
Adjustment for other non-cash items	–	500
(Increase)/decrease in assets		
Current receivables ^(a)	(25,199)	563
Other current assets	(12,580)	241
Increase/(decrease) in liabilities		
Current payables ^(a)	(14,916)	(45,447)
Current provisions	(748)	(2,430)
Non-current provisions	(1,458)	(386)
Change in GST in receivables/payables ^(b)	(294)	1,631
Net cash used in operating activities	(786,975)	(745,138)

(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.

Note 30. Commitments

Non-cancellable operating lease commitments (Motor vehicles)

	2018 \$000	2017 \$000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	945	780
Later than 1 year and not later than 5 years	2,094	1,179
Later than 5 years	47	1
	3,086	1,960

Non-cancellable operating lease commitments (Buildings)

Within 1 year	6,054	8,245
Later than 1 year and not later than 5 years	6,517	6,064
Later than 5 years	330	–
	12,901	14,309

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.

Note 31. Contingent liabilities and contingent assets

The Disability Services 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.

Note 32. 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.

Note 33. Explanatory Statement

All variances between estimates (original budget) and actual results for 2018, and between the actual results for 2018 and 2017, are shown below. Narratives are provided for selected major variances, which are generally greater than:

- 5 per cent and \$18.7 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 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between actual and estimate \$000	Variance between actual results for 2018 and 2017 \$000
Statement of Comprehensive Income						
Expenses						
Employee benefits expense	1	205,633	162,128	163,328	(43,505)	(1,200)
Supplies and services		45,300	28,051	22,762	(17,249)	5,289
Depreciation and amortisation expense		6,282	5,606	5,850	(676)	(244)
Accommodation expenses		10,739	10,899	11,621	160	(722)
Expenditure on Services provided by funded agencies	2, a	970,111	788,738	697,546	(181,373)	91,192
Individual funding and other grants		20,582	31,989	29,663	11,407	2,326
Loss on disposal of non-current assets		–	129	408	129	(279)
Other expenses		2,940	2,334	2,246	(606)	88
Total cost of services		1,261,587	1,029,874	933,424	(231,713)	96,450
Income						
User charges and fees		3,852	3,355	4,699	(497)	(1,344)
Commonwealth grants and contributions	3, b	385,605	238,643	190,548	(146,962)	48,095
Gain on disposal of non-current assets		–	–	5	–	(5)
Other revenue	4	11,500	44,579	26,745	33,079	17,834
Total Revenue		400,957	286,577	221,997	(114,380)	64,580
Total income other than income from State Government		400,957	286,577	221,997	(114,380)	64,580
Net cost of services		860,630	743,297	711,427	(117,333)	31,870
Income from State Government						
Service appropriation	c	854,649	860,989	709,158	6,340	151,831
Services received free of charge		6,130	5,782	5,364	(348)	418
Royalties for Regions Fund		65	65	65	–	–
Total income from State Government		860,844	866,836	714,587	5,992	152,249
Surplus for the period		214	123,539	3,160	123,325	120,379
Other comprehensive income						
Changes in asset revaluation surplus		–	(225)	(860)	(225)	635
Total other comprehensive income		–	(225)	(860)	(225)	635
Total comprehensive income for the period		214	123,314	2,300	123,100	121,014

	Variance Note	Estimate 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between actual and estimate \$000	Variance between actual results for 2018 and 2017 \$000
Statement of Financial Position						
Assets						
Current Assets						
Cash and cash equivalents		4,436	94,569	4,443	90,133	90,126
Restricted cash and cash equivalents		24,052	2,189	23,276	(21,863)	(21,087)
Receivables		7,006	30,306	4,812	23,300	25,494
Amounts receivable for services		–	–	404	–	(404)
Other current assets	5, d	2,933	14,418	1,838	11,485	12,580
Total Current Assets		38,427	141,482	34,773	103,055	106,709
Non-Current Assets						
Restricted cash and cash equivalents		1,560	1,600	800	40	800
Amounts receivable for services	6	62,324	58,618	56,042	(3,706)	2,576
Property, plant and equipment	7, e	64,529	36,302	39,620	(28,227)	(3,318)
Intangible assets		2,665	4,851	4,654	2,186	197
Total Non-Current Assets		131,078	101,371	101,115	(29,707)	256
Total assets		169,505	242,853	135,888	73,348	106,965
Liabilities						
Current Liabilities						
Payables		23,508	8,556	23,471	(14,952)	(14,915)
Provision	8, f	19,469	13,699	31,165	(5,770)	(17,466)
Total Current Liabilities		42,977	22,255	54,636	(20,722)	(32,381)
Non-Current Liabilities						
Provisions	g	1,712	942	5,217	(770)	(4,275)
Total Non-Current Liabilities		1,712	942	5,217	(770)	(4,275)
Total liabilities		44,689	23,197	59,853	(21,492)	(36,656)
Net assets		124,816	219,656	76,035	94,840	143,621
Equity						
Contributed equity		81,072	53,735	33,428	(27,337)	20,307
Reserves		42,225	41,140	41,365	(1,085)	(225)
Accumulated surplus		1,519	124,781	1,242	123,262	123,539
Total equity		124,816	219,656	76,035	94,840	143,621

	Variance Note	Estimate 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between actual and estimate \$000	Variance between actual results for 2018 and 2017 \$000
Statement of Cash Flows						
Cash flows from State Government						
Service appropriation	h	848,367	854,707	702,876	6,340	151,831
Capital appropriations	9	28,111	772	807	(27,339)	(35)
Holding account drawdown		404	4,110	509	3,706	3,601
Royalties for Regions Fund		65	65	65	–	–
Net cash provided by State Government		876,947	859,654	704,257	(17,293)	155,397
Cash flows from operating activities						
Payments						
Employee benefits	10	(204,968)	(163,327)	(165,455)	41,641	2,128
Supplies and services		(52,948)	(42,785)	(30,108)	10,163	(12,677)
Payments for services provided by funded agencies	11, i	(970,111)	(788,738)	(697,546)	181,373	(91,192)
Individual funding and other grants		(20,582)	(31,989)	(29,663)	(11,407)	(2,326)
Receipts paid into Consolidated Account	12, j	–	(21,384)	(67,800)	(21,384)	46,416
GST payments on purchases		(73,718)	(82,609)	(72,817)	(8,891)	(9,792)
GST payments to taxation authority		(503)	(2,289)	(1,416)	(1,786)	(873)
Receipts						
User charges and fees		3,852	3,336	4,733	(516)	(1,397)
Commonwealth grants and contributions	13	385,605	224,809	211,932	(160,796)	12,877
GST receipts on sales		466	3,357	1,675	2,891	1,682
GST receipts from taxation authority		73,755	81,247	74,189	7,492	7,058
Other receipts	14	11,500	33,397	27,138	21,897	6,259
Net cash used in operating activities		(847,652)	(786,975)	(745,138)	60,677	(41,837)
Cash flows from investing activities						
Payments						
Purchase of non-current assets	15	(28,515)	(2,840)	(4,659)	25,675	1,819
Receipts						
Proceeds from sale of non-current assets		–	–	–	–	–
Net cash used in investing activities		(28,515)	(2,840)	(4,659)	25,675	1,819
Net increase/(decrease) in cash and cash equivalents		780	69,839	(45,540)	69,059	115,379
Cash and cash equivalents at the beginning of the period		29,268	28,519	74,059	(749)	(45,540)
Cash and cash equivalents at the end of period		30,048	98,358	28,519	68,310	69,839

Major Estimate and Actual (2018) Variance Narratives

- 1) Employee benefits expense was less than budget by \$43.5 million (21.2%) 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.
- 2) Expenditure on services provided by funded agencies was less than budget by \$181.4 million (18.7%) mainly as a result of delays in implementing the NDIS in Western Australia.
- 3) Commonwealth grants and contributions was less than budget by \$147 million (38.1%) as a result of the decision by the State Government to transition to a nationally delivered NDIS in Western Australia. This has resulted in the redirection of some Commonwealth funds from Disability Service Commission's budget to the National Disability Insurance Agency (NDIA) as it became responsible for providing services midway through the year.
- 4) Other revenue was higher than budget by \$33.1 million (287.6%) mainly attributable to the recoup of previous years' under-delivered services from disability sector organisations.
- 5) Other current assets increased by \$11.5 million (391.6%) is mainly attributable to the advance payment made for group homes redevelopments.
- 6) Amounts receivable for services was less than budget by \$3.7 million (6.0%) due to receipts for the leave liability payout relating to 2017-18 Voluntary Targeted Separation Scheme.
- 7) Property, plant and equipment was less than budget by \$28.2 million (43.7%). This is due to the State Government's decision to hand over the administration of the NDIS in WA to the Commonwealth Government. Hence the budget allocated for IT system (\$20 million) and office fit out (\$7.3 million) was not spent.
- 8) Provision was less than budget by \$5.8 million (29.6%) mainly due to leave liability payout as a result of 2017-18 Voluntary Targeted Separation Scheme.
- 9) Capital appropriations was less than budget by \$27.3 million (97.3%). Refer to explanation above at point 7.
- 10) Employee benefits was less than budget by \$41.6 million (20.3%) primarily due to explanation above at point 1.
- 11) Payments for services provided by funded agencies was less than budget by \$181.4 million (18.7%) mainly due to explanation above at point 2.
- 12) Receipts paid into Consolidated Account was higher than budget by \$21.4 million (100%) mainly due to unspent funds in WA NDIS trial sites in 2016-17 returned to Department of Treasury.
- 13) Commonwealth grants and contributions was less than budget by \$160.8 million (41.7%). Refer to explanation above at point 3.
- 14) Other receipts increased by \$22 million (190.4%). Refer to explanation above at point 4.
- 15) Purchase of non-current assets was less than budget by \$25.7 million (90%). Refer to explanation above at point 7.

Major Actual (2018) and Comparative (2017) Variance Narratives

- a) Expenditure on Services provided by funded agencies increased by \$91.2 million (13.1%) mainly due to additional participants during the commencement of the State-administered NDIS in Western Australia.
- b) Commonwealth grants and contributions increased by \$48.1 million (25.2%) mainly attributable to increased Commonwealth funding for the transition of the NDIS in WA.
- c) Service appropriation increased by \$151.8 million (21.4%) mainly due to the State's contribution to the NDIS (\$136 million), growth funding (\$8.3 million) and Non-Government Human Services Sector indexation (\$4.6 million).
- d) Other current assets increased by \$12.6 million (684.4%) is mainly attributable to the advance payment for group homes redevelopments.
- e) Property, plant and equipment decreased by \$3.3 million (8.37%) is mainly as a result of depreciation charge.
- f) Provisions decreased by \$17.5 million (56%) due to transfer of leave liability provisions arising from the disposition of Public Sector offices (positions) and public sector employees from Disability Services Commission to the Department of Communities. This is as a result of the machinery of government changes.
- g) Provisions decreased by \$4.3 million (81.9%). Refer to explanation above at point f.
- h) Services appropriation increased by \$151.8 million (21.6%). Refer to explanation above at point c.
- i) Payments for services provided by funded agencies increased by \$91.2 million (13.1%). Refer to explanation above at point a.
- j) Receipts paid into Consolidated Account decreased by \$46.4 million (68.5%) mainly due to unspent funds in the WA NDIS trial sites returned to Department of Treasury in 2016-17 (\$67.8 million) being higher than the funds returned in 2017-18 (\$21.4 million).

Note 34. Financial instruments

(a) Financial risk management objectives and policies

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.

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.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 34(c) 'Financial Instruments Disclosures' and Note 19 'Receivables'.

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. 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:

	2018 \$000	2017 \$000
Financial Assets		
Cash and cash equivalents	94,569	4,443
Restricted cash and cash equivalents	3,789	24,076
Receivables ^(a)	85,897	58,526
Financial Liabilities		
Financial liabilities measured at amortised cost	8,556	23,471

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

(c) Financial instrument disclosures

Credit risk

The following table discloses the Commission's maximum exposure to credit risk and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the end of the reporting period is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission.

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

Ageing analysis of financial assets

	Carrying Amount \$000	Not past due and not impaired \$000	Past due but not impaired					Impaired financial assets \$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	
2018								
Cash and cash equivalents	94,569	94,569	—	—	—	—	—	—
Restricted cash and cash equivalents	3,789	3,789	—	—	—	—	—	—
Receivables ^(a)	27,279	24,934	213	968	463	557	144	—
Amounts receivable for services	58,618	58,618	—	—	—	—	—	—
	184,255	181,910	213	968	463	557	144	—
2017								
Cash and cash equivalents	4,443	4,443	—	—	—	—	—	—
Restricted cash and cash equivalents	24,076	24,076	—	—	—	—	—	—
Receivables ^(a)	2,080	397	169	47	139	1,328	—	—
Amounts receivable for services	56,446	56,446	—	—	—	—	—	—
	87,045	85,362	169	47	139	1,328	—	—

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

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 %	Carrying amount \$000	Interest rate exposure			Nominal Amount \$000	Maturity dates				
			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
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	–	–	–	
2017											
Financial Assets											
Cash and cash equivalents	–	4,443			4,443	4,443	4,443	–	–	–	
Restricted cash and cash equivalents	–	24,076			24,076	24,076	23,276	–	–	800	
Receivables ^(a)		2,080			2,080	2,080	2,080	–	–	–	
Amounts receivable for services		56,446			56,446	56,446	404	–	–	56,042	
		87,045			87,045	87,045	30,203	–	–	56,842	
Financial Liabilities											
Payables		23,471			23,471	23,471	23,471	–	–	–	
		23,471			23,471	23,471	23,471	–	–	–	

(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.

Note 35. Remuneration of auditor

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

	2018 \$000	2017 \$000
Auditing the accounts, financial statements, controls, and key performance indicators	128	136

Note 36. Affiliated bodies

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

Name of Organisation	2018 \$000	2017 \$000
Ability Centre Australasia Ltd	52,872	51,259
Accessibility WA Inc	2,663	2,158
Autism Association of WA Inc	44,034	39,680
Avivo: Live Life Inc	35,038	32,981
BGSR Pty Ltd as Trustee for SAS Unit Trust	9,221	7,638
Cam Can & Associates Pty Ltd ATF the Lema Family Trust	20,358	19,091

Name of Organisation	2018 \$000	2017 \$000
Community Living Association Inc	10,426	11,024
Crosslinks Inc	6,644	6,539
Directions Disability Support Services Inc	5,584	4,517
Diversity South Inc	8,110	6,806
Elba Inc	4,534	5,049
Empowering People In Communities (EPIC) Inc	5,237	3,478
Enable WA Inc	17,241	13,751
Explorability Inc	712	508
Family Support WA Inc	3,850	3,976
Far North Community Services Ltd	5,710	2,916
Goldfields Individual and Family Support Association Inc	6,769	6,449
Identitywa	26,302	25,898
Inclusion WA Inc	3,866	3,784
Intetwork Inc	11,860	10,726
Interchange Inc	10,902	8,364
ISADD WA Pty Ltd	1,700	1,268
Kira Inc	2,591	2,841
Lifepan Recreation & Leisure Association Inc	1,564	1,420
Midway Community Care	13,477	10,181
Midwest Community Living Association Inc	2,608	2,355
Mosaic Community Care Inc	14,080	12,359
My Place Foundation Inc	37,749	34,818
Nascha Inc	2,255	2,316
Nulsen Haven Association Inc	44,234	42,460
Orion Services WA Pty Ltd ATF the Anderson Family Trust	6,069	5,054
Peel Home and Community Support Incorporated	392	359

Name of Organisation	2018 \$000	2017 \$000
People Actively Committed Together PACT Inc	612	706
Phylos Inc	805	859
Rocky Bay Inc	61,349	48,838
Senses Australia	17,914	15,212
South Metropolitan Personnel Inc	4,035	3,429
Teem Treasure Pty Ltd	5,807	5,923
Therapy Focus Inc	28,899	19,661
Vemvane Inc	973	818
WA Blue Sky Inc	3,620	3,681
Wize Therapy Pty Ltd	2,148	1,507

Note 37. Related bodies

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

Note 38. Supplementary financial information

	2018 \$000	2017 \$000
Write-offs		
Debts due to the state written off during the financial year	Nil	58
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

Note 39. 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		Total \$000	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Cost of Services																
Expenses																
Employee benefits expense	62,760	46,436	24,221	33,241	41,294	63,180	8,301	4,256	14,760	10,315	9,190	4,293	1,602	1,608	162,128	163,328
Supplies and services	11,465	4,087	3,683	2,350	5,987	7,764	1,915	2,320	2,294	3,006	2,200	2,748	507	486	28,051	22,762
Depreciation and amortisation expense	–	–	1,078	961	1,817	1,647	781	851	897	848	953	1,359	80	186	5,606	5,850
Accommodation expense	5,723	7,526	1,284	1,055	1,980	2,932	551	–	633	108	672	–	56	–	10,899	11,621
Expenditure on services provided by funded agencies	4,043	492	34,477	28,674	200,547	191,117	209,022	217,659	126,786	83,119	198,824	173,329	15,039	3,156	788,738	697,546
Individual funding and other grants	1,193	129	2	68	4	455	10,399	9,528	6,617	5,323	13,774	13,884	–	277	31,989	29,663
Loss on disposal of non-current assets	46	–	16	48	27	141	12	43	13	31	14	85	1	58	129	408
Other expenses	814	330	291	320	493	319	212	319	243	319	259	550	22	89	2,334	2,246
Total Cost of Services	86,044	58,999	65,052	66,717	252,149	267,555	231,193	234,976	152,243	103,069	225,886	196,248	17,307	5,860	1,029,874	933,424
Income																
User charges and fees	–	–	3,355	4,699	–	–	–	–	–	–	–	–	–	–	3,355	4,699
Commonwealth grants and contribution	19,937	12,044	15,074	13,620	58,428	54,618	53,572	47,968	35,278	21,040	52,343	40,062	4,011	1,196	238,643	190,548
Gain on disposal of non-current asset	–	5	–	–	–	–	–	–	–	–	–	–	–	–	–	5
Other revenue	3,724	1,690	2,816	1,912	10,915	7,666	10,007	6,733	6,590	2,953	9,778	5,623	749	168	44,579	26,745
Total income other than income from State Government	23,661	13,739	21,245	20,231	69,343	62,284	63,579	54,701	41,868	23,993	62,121	45,685	4,760	1,364	286,577	221,997
Net Cost of Services	62,383	45,260	43,807	46,486	182,806	205,271	167,614	180,275	110,375	79,076	163,765	150,563	12,547	4,496	743,297	711,427
Income from State Government																
Service appropriation	71,930	44,824	54,384	50,688	210,801	203,272	193,280	178,520	127,278	78,306	188,846	149,097	14,470	4,451	860,989	709,158
Resources received free of charge	483	339	365	383	1,416	1,537	1,298	1,350	855	593	1,268	1,128	97	34	5,782	5,364
Royalties for Regions	5	4	4	5	16	19	15	16	10	7	14	14	1	–	65	65
Total Income from State Government	72,418	45,167	54,753	51,076	212,233	204,828	194,593	179,886	128,143	78,906	190,128	150,239	14,568	4,485	866,836	714,587
Surplus for the period	10,035	(93)	10,946	4,590	29,427	(443)	26,979	(389)	17,768	(170)	26,363	(324)	2,021	(11)	123,539	3,160

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

Note 40. 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.

	2018 \$000	2017 \$000
Balance at start of the financial year	(85)	(108)
Receipt from Commonwealth	268	170
Payment	(103)	(147)
Balance at the end of the financial year*	80	(85)

* Deficit in 2016–2017 is due to higher number of residents with disabilities needing support than estimated.

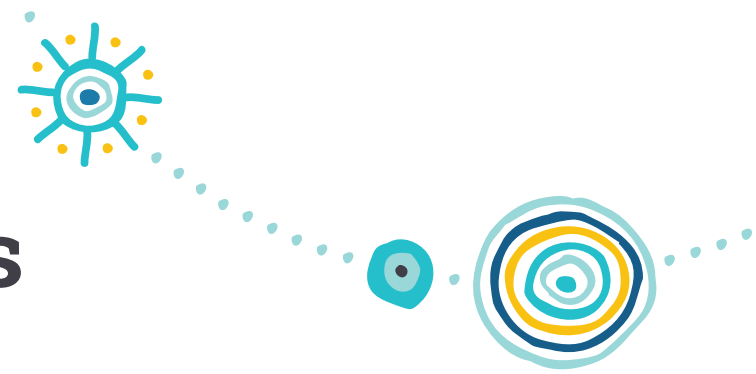
Note 41. Special Purpose Account

My Way Trial Sites Fund ^(a)

The My Way Trial Sites fund Special Purpose Account provides a mechanism to receive Commonwealth and State funding in agreed proportion to provide disability support packages (excludes administration cost) as required by the National Partnership Agreement on trial of My Way sites. This account has been closed in July 2016.

	2018 \$000	2017 \$000
Balance at start of the financial year	–	67,800
Receipt	–	–
Payment	–	(67,800)
Balance at the end of the financial year	–	–

(a) Established under section 16(1)(b) of FM



Key performance indicators

Certification of key performance indicators

For the reporting period ended 30 June 2018

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 2018.

Bruce Langoulant
Chairperson
Disability Services Commission Board

24 August 2018

Gavin Robins
Board Member
Disability Services Commission Board

24 August 2018

Summary of Key Performance Indicators

State Government Goal

Strong communities

Safe communities and supported families.

The 2017-2018 Outcome Based Management (OBM) framework remains unchanged and is consistent with 2016-2017.

Outcome 1. People with disability have choice and control in determining services that meet individual needs

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

KPI 3 Proportion of individual plans commenced within the required timeframe

KPI 4 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

KPI 4 Cost per intensity of individual support requirements

KPI 8 Cost per service activity

Service 3 – Community Living Support

KPI 4 Cost per intensity of individual support requirements

KPI 8 Cost per service activity

Service 4 – Independent Living Support

KPI 4 Cost per intensity of individual support requirements

KPI 8 Cost per service activity

Service 5 – Therapy and Specialised Care

KPI 4 Cost per intensity of individual support requirements

KPI 8 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

KPI 4 Cost per intensity of individual support requirements

KPI 8 Cost per service activity

Service 7 – Advocacy, Access and Inclusion

KPI 8 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 regularly reviewed 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% 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 2017-2018 actual is consistent with target and the prior year actuals.

	2015 -2016 actual	2016 -2017 actual	2017 -2018 actual	2017 -2018 target	Variation from target
Percentage of service users who achieve their individual plan outcomes	78%	78%	79%	79%	0%

2. Satisfaction with individualised planning process

Planning is a central feature of support provision that underpins individual choice and control. An individual's assessment of their satisfaction with the planning process is, therefore, an essential element of the effectiveness of service delivery.

Satisfaction with the individualised planning process was measured using the annual WA NDIS Consumer Satisfaction Survey conducted by independent consultants. This measure reflects the proportion of respondents who indicate they are satisfied or very satisfied in response to the question, "Overall, how would you rate your experience with the WA NDIS planning process?"

The 2017-2018 actual is consistent with target and the prior year actuals.

	2016-2017 actual	2017-2018 actual	2017-2018 target	Variation from target
Satisfaction with individualised planning process	79%	78%	80%	-2%

Note: Overall, the survey result of n= 661 randomly selected respondents provides data that is accurate to within $\pm 3.6\%$ of the population figures at the 95% level of confidence based on N= 5,656 (stratified for age <17 years; 18+ years and WA NDIS location) being the total number of WA NDIS clients that have completed a WA NDIS plan in the sample file. The response rate for the WA NDIS survey was 51 per cent.

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 2017-2018 actual is consistent with target and the prior year actuals.

	2016-2017 actual	2017-2018 actual	2017-2018 target	Variation from target
Proportion of individual plans commenced within the required timeframe	80%	83%	80%	3%

4. Cost per intensity of individual support requirements

This measure explores the extent to which the cost of services 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 a cost per intensity of individual support requirements.

The variance in the planning and coordination service area between the 2017-2018 actual and the prior year actual reflects the significant investment in Local Coordination planning and administration for transition to the NDIS in Western Australia.

The 2017-2018 actuals are higher than target for planning and coordination, therapy and specialised care, and community participation primarily as a result of lower than expected participants in the WA NDIS, offset by a redirection of State funding to the National Disability Insurance Agency (NDIA). As the change in participants was greater than the change in cost, it has resulted in a higher average cost in these service areas. The variance between the current year actual and the prior year actual in these service areas is primarily due to increased expenditure in the first year of the WA NDIS roll-out.

Cost per intensity of individual support requirements	2016 -2017 actual	2017 -2018 actual	2017 -2018 target	Variation from target
Planning and coordination	\$1,775	\$2,287	\$1,830	25%
Residential services	\$81,415	\$81,416	\$78,832	3%
Community living support	\$74,838	\$70,829	\$74,357	-5%
Independent living support	\$19,937	\$18,841	\$19,857	-5%
Therapy and specialised care	\$4,018	\$5,371	\$4,136	30%
Community participation	\$7,174	\$8,039	\$7,075	14%

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 compliant with the Standards.

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

The 2017-2018 target allowed for the increased number of new service providers operating in their first year in the NDIS. The 2017-2018 actual was higher than anticipated as the Commission continues to work closely with organisations to meet all required actions, but it is lower than the prior year due to the aforementioned increase in new service providers.

	2016-2017 actual	2017-2018 actual	2017-2018 target	Variation from target
Proportion of quality evaluations which meet national standards	95%	90%	85%	5%

6. Satisfaction with service received

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

The survey collected data from a random sample of 634 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 2017-2018 actual is consistent with target and the prior year actual.

	2015 -2016 actual	2016 -2017 actual	2017 -2018 actual	2017 -2018 target	Variation from target
Satisfaction with service received	82%	83%	82%	83%	-1%

Note: Overall, the survey result of n= 634 randomly selected respondents provides data that is accurate to within $\pm 3.8\%$ of the population figures at the 95% level of confidence based on N= 13,645 (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 non-WA NDIS survey was 58 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 2017-2018 actual and prior year actuals are lower than target due to the bilateral agreement between the Commonwealth and Western Australian governments for transition and full scheme roll-out of an Australia-wide NDIS. This change resulted in a lower number of participants in the WA NDIS partly due to participants remaining in the NDIA Perth Hills site, and individuals transferring and transitioning into the NDIA, hence reducing our overall target population.

	2016-2017 actual	2017-2018 actual	2017-2018 target	Variation from target
Proportion of the population in need who receive services	44%	46%	59%	-13%

8. 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).

Variances in actual versus target in independent living support and community participation are largely a result of the bilateral agreement between the Commonwealth and Western Australian governments for transition and full scheme roll-out of an Australia-wide NDIS. This has resulted in a redirection of State funding to the NDIA, causing a decrease in cost across service areas. In addition, the variance between the current year actual and the prior year actual for community participation is mainly due to increased expenditure in the first year of the WA NDIS roll-out.

The increase in the therapy and specialised care service area between the 2017-2018 actual and the prior year actual is primarily due to increased expenditure in the first year of the WA NDIS roll-out. Additionally, service activity increased as participants in their second and third plans had improved access to greater and more personalised therapy and specialised care services.

As a direct result of the \$11 million in Information, Linkages and Capacity Building (ILC) and Sector Development grants assisting to safeguard individuals' transition to the Australia-wide Scheme, there was a significant increase in costs in the advocacy, access and inclusion service area. As the ILC grant agreements are for a period of more than 12 months, projects that were not completed by the end of the financial year are not included in the calculation.

Cost per service activity	2016–2017 actual	2017–2018 actual	2017–2018 target	Variation from target
Residential services	\$212,476	\$220,514	\$211,328	4%
Community living support	\$172,172	\$170,141	\$170,324	0%
Independent living support	\$33,030	\$31,853	\$38,492	-17%
Therapy and specialised care	\$6,150	\$7,785	\$7,883	-1%
Community participation	\$9,705	\$10,943	\$12,549	-13%
Advocacy, access and inclusion	\$30,130	\$135,753	\$32,410	319%

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. Here, 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 2017-2018 actual is consistent with target and the prior year actual.

	2016–2017 actual	2017–2018 actual	2017–2018 target	Variation from target
Proportion of service users who achieve community participation outcomes	76%	76%	77%	-1%

10. Service users' satisfaction with community access and inclusion

We measure service users' satisfaction with community access and inclusion through our annual Consumer and Carer Satisfaction Survey.

Satisfaction with community access and inclusion services is derived from the combination of results from 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 2017-2018 actual is consistent with target and the prior year actual.

	2015–2016 actual	2016–2017 actual	2017–2018 actual	2017–2018 target	Variation from target
Service users' satisfaction with community access and inclusion	75%	74%	76%	75%	1%

Note: Overall, the survey result of n= 634 randomly selected respondents provides data that is accurate to within ± 3.8% of the population figures at the 95% level of confidence based on

N= 13,645 (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 eCAEP, WA NDIS and NDIA sites. The response rate for the non-WA NDIS survey was 58 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.

The 2017-2018 actual is lower than the prior year actual primarily due to a slight decrease in the number of projects that were completed in the period. This is because of an increase in the number of Disability Access and Inclusion Plans (DAIPs) that expired. Agencies merging with others as part of machinery of government changes were permitted to let their DAIPs expire before new whole-of-agency DAIPs were implemented.

	2016-2017 actual	2017-2018 actual	2017-2018 target	Variation from target
Proportion of access, inclusion and advocacy projects completed within the required time	93%	87%	90%	-3%

Note: The 2016-2017 actual has been recast due to a change in the calculation methodology from 89% to 93% in the current year.



Ministerial directives

No ministerial directives were received during 2017-18.



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 board and lodging. The rate is generally equivalent to 75 per cent of their pension.

Act of grace payments

As at 30 June 2018, there were no act of grace payments recorded.

Capital works projects

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

Capital works projects completed

- Office fit-out and refurbishment work to support the NDIS trial at a total cost of approximately \$118,474. New offices were established in Northam and Kununurra to support the extension and expansion of the WA NDIS trial in the Wheatbelt and Kimberley sites at a cost of \$28,051. The Bayswater, Mandurah, Midland and Rockingham offices were refurbished to accommodate growth in staff numbers, at a cost of \$90,423.

- Fit-out of a new Local Coordination office in Albany at a cost of \$902,669, of which \$580,591 was spent in 2017-18. This includes additional expenditure on access improvement works which resulted in an increased total cost of project.
- Essential refurbishment and redevelopment works within the Disability Services Commission's supported accommodation portfolio, including group homes, at a cost of \$431,558.
- New and existing information technology systems were developed and enhanced at a cost of \$1,681,366 million.

Major capital projects incomplete

Nil

Employment and industrial relations

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

Staff profile

At the close of the financial year, 458 full time equivalent employees 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 1: Staff profile as at 30 June 2018

	Disability Services Commission (direct employees) ⁽¹⁾
Number of people	458
Total	458

Notes:

(1) Staff directly employed under the *Disability Services Act 1993* and represent occupational groups, including registered nurses, support workers and social trainers.

Industrial relations

The Disability Services Commission has a Joint Consultative Committee in place with the Civil Service Association of Western Australia that meets bi-monthly to address employment and industrial relations matters. There were no matters involving the Industrial Magistrates Court in 2017-18.

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

No applications were lodged with the Equal Opportunity Commission or the Australian Human Rights Commission.

Voluntary redundancy

As part of the whole-of-government initiative to reduce the size of the public sector, the Disability Services Commission considers voluntary severance on an individual basis for registerable officers.

Under the State Government Voluntary Targeted Separation Scheme for Public Sector Renewal (2017), the number of accepted voluntary severances from the Disability Services Commission was equal to 114.4¹ full-time equivalent employees.

The Department of Communities' Annual Report 2017-18 provides the number of accepted voluntary severances for Department staff.

¹ Staff directly employed under the *Disability Services Act 1993* and represent occupational groups, including registered nurses, support workers and social trainers.

Personal expenditure on Government credit cards

In accordance with Treasurer’s Instruction 321, officers are prohibited from using Government issued credit cards for personal expenditure. Treasurer’s Instruction 903(13) (iv) requires the Disability Services Commission to disclose information relating to personal expenditure. Table 2 details the personal expenditure made using a Western Australian Government credit card in 2017-18.

Table 2: Personal expenditure using Western Australian Government credit cards in 2017-18

	2017-18
Number of instances the Western Australian Government Purchasing Card has been used for a personal purpose	99
Aggregate amount of personal use expenditure for the reporting period	\$8,438
Aggregate amount of personal use expenditure settled by the due date	\$328
Aggregate amount of personal use expenditure settled after the period required by the due date	\$2,230
Aggregate amount of personal use expenditure outstanding at the end of the reporting period	\$5,880
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	1

Section 40 Estimates for 2018-19

In accordance with Treasurer's Instruction 953, the annual estimates for the 2018-19 year are hereby enclosed in the 2017-18 Annual Report. These estimates do not form part of the 2017-18 financial statements and are not subject to audit.

Statement of Comprehensive Income

	2018-19 \$'000
Cost of services	
Expenses	
Employee benefits	59,484
Supplies and services	907,518
Depreciation and amortisation expenses	6,282
Accommodation	11,691
Grants and subsidies	1,011
Other expense	125,116
Total cost of services	1,111,102

	2018-19 \$'000
Income	
Sale of goods and services	34,142
Grants and subsidies	130,898
Other revenue	11,500
Total Income	176,540
Net cost of services	934,562
Income from State Government	
Service appropriations	928,581
Resources received free of charge	6,130
Royalties for Regions Fund:	
Regional Community Services Fund	65
Total income from State Government	934,776
Surplus/(deficiency) for the period	214

Statement of Financial Position

	2018-19 \$'000
Current assets	
Cash assets	4,443
Restricted cash	23,276
Receivables	4,812
Other	1,838
Total current assets	34,369
Non-current assets	
Holding account receivables	66,427
Property, plant and equipment	30,767
Intangibles	1,500
Restricted cash	2,360
Other	618
Total non-current assets	101,672
Total assets	136,041

	2018-19 \$'000
Current liabilities	
Employee provisions	14,391
Payables	22,362
Other	2,154
Total current liabilities	38,907
Non-current liabilities	
Employee provisions	1,761
Total non-current liabilities	1,761
Total liabilities	40,668
Equity	
Contributed equity	52,832
Accumulated surplus/(deficit)	1,177
Reserves	41,364
Total equity	95,373
Total liabilities and equity	136,041

Statement of Changes in Equity

	2018-19 \$'000
Contributed equity at start of period	52,832
Capital contributions during the period	0
Contributed equity at the end of the period	52,832
Accumulated surplus/(deficit) at start of period	963
Surplus/(deficit) for the period	214
Accumulated surplus/(deficit) at end of period	1,177
Reserves at start of period	41,364
Additions for the period	0
Reserves at end of period	41,364
Total Equity	95,373

Statement of Cash Flows

	2018-19 \$'000
Cash flows from State Government	
Service appropriations	922,299
Royalties for Regions Fund:	
Regional Communities Services Fund	65
Net cash provided by State Government	922,364
Cash flows from operating activities	
Payments	
Employee benefits	(59,725)
Supplies and services	(901,590)
Accommodation	(10,772)
Grants and subsidies	(1,011)
Other payments	(177,563)
Receipts	
Grants and subsidies	130,898
Sale of goods and services	3,895
GST receipts	52,537
Other revenue	41,747
Net cash from operating activities	(921,584)

	2018-19 \$'000
Cash flows from investing activities	
Purchase of non-current assets	0
Proceeds from sale of non-current assets	0
Net cash from investing activities	0
Net increase/decrease in cash held	780
Cash assets at the beginning of the reporting period	29,299
Cash assets at the end of the reporting period	30,079

Board and committee remuneration

Disability Services Commission Board remuneration

Position	Name	Board meetings attended	Type of remuneration	Period of membership 1	Gross/actual remuneration 2017-18 financial year
Chairperson	Bruce Langoulant	10	Sitting fee	01/07/2017 – 30/06/2018	\$39,316
Deputy Chairperson	Priya Cooper	7	Sitting fee	28/08/2017 – 30/06/2018	\$12,584
Member	Anwen Handmer	8	Sitting fee	28/08/2017 – 30/06/2018	\$7,231
Member	Gabrielle Trenbath	7	Sitting fee	28/08/2017 – 30/06/2018	\$2,892
Member	Russell Aubrey	11	Sitting fee	01/07/2017 – 30/06/2018	\$8,677
Member	Dr Rachel Skoss ²	6	Sitting fee	01/07/2017 – 31/12/2017	Nil
Member	Melissa Northcott	10	Sitting fee	01/07/2017 – 30/06/2018	\$9,400
Member	Gavin Robins ³	9	Sitting fee	01/07/2017 – 30/06/2018	Nil
Member	Julie Carr	9	Sitting fee	01/07/2017 – 06/04/2018	\$7,954
Member	Andrew Thompson ²	4	Sitting fee	01/01/2018 – 30/06/2018	Nil

1. The period of membership refers to the board member's membership during the 2017-18 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 2017-18 financial year
Chairperson	Dr Rachel Skoss	Sitting fee	01/07/2017 – 31/12/2018	\$8,955
Chairperson	Andrew Thompson	Sitting fee	01/01/2018 – 30/06/2018	\$9,622
Deputy Chairperson	Andrew Thompson	Sitting fee	01/07/2017 – 31/12/2017	\$3,738
Deputy Chairperson	Stephanie Coates ² (full-time temporary employee)	Sitting fee	1/02/2018 – 30/06/2018	Nil
Member	Stephanie Coates ³	Sitting fee	01/07/2017 – 31/01/2018	\$1,515
Member	Anthony Pursell	Sitting fee	01/07/2017 – 31/12/2017	\$2,525
Member	Franklin, Carol	Sitting fee	01/01/2018 – 30/6/2018	\$3,030
Member	Barbara Oosterhuis	Sitting fee	01/07/2017 – 31/12/2017	\$2,525
Member	Carole Kagi	Sitting fee	01/07/2017 – 30/06/2018	\$5,555
Member	David Carrington ²	Sitting fee	01/07/2017 – 30/06/2018	Nil
Member	Eloise Bolam	Sitting fee	01/07/2017 – 31/02/2018	\$2,525
Member	James Davies	Sitting fee	01/07/2017 – 12/10/2017	\$1,010
Member	Justin Mortley ²	Sitting fee	01/07/2017 – 30/06/2018	Nil
Member	Justine Colyer	Sitting fee	01/07/2017 – 30/06/2018	\$5,555
Member	Piper Marsh	Sitting fee	01/07/2017 – 30/06/2018	\$5,555
Member	Nita Spedding	Sitting fee	01/07/2017 – 30/06/2018	\$5,555
Member	Stuart Jenkinson	Sitting fee	01/07/2017 – 31/12/2017	\$2,525
Member	Grace Mills	Sitting fee	01/01/2018 – 30/6/2018	\$3,030
Member	Joan Foley	Sitting fee	01/01/2018 – 30/6/2018	\$3,030
Member	Kane Moyle	Sitting fee	01/01/2018 – 30/6/2018	\$3,030
Member	Peter Batini	Sitting fee	01/01/2018 – 30/6/2018	\$3,030
Member	Tony Vardaro	Sitting fee	01/01/2018 – 30/6/2018	\$3,030

1. The period of membership refers to the committee member's membership during the 2017-18 reporting period.
2. Public sector employees do not receive remuneration.
3. Employed by the public sector on a part-time basis; eligible for remuneration.

Notes:

- a. Members are not paid in December.
- b. Remuneration is calculated per meeting (11 meetings per year).

WA NDIS Appeals Panel

In 2017-18, people participating in the WA NDIS had access to an independent WA NDIS Appeals Panel. Where people were dissatisfied with certain decisions, they could appeal them 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 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 Disability Services Commission. 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 2017-18 financial year
Panel Chair (Panel Member 1)	\$1,404
Panel Member 2 (Paid directly to a disability sector organisation and not an individual)	\$579
Panel Member 3	\$579
Allied Health Specialist	\$1,008
Allied Health Specialist	\$916

Governance disclosures



Director's indemnity insurance

In 2017-18, the Disability Services Commission paid insurance premiums in respect of the liability of its officers 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, and other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.



Other legal requirements

Advertising

In accordance with section 175ZE of the *Electoral Act 1907*, the Disability Services Commission incurred expenditure on advertising and media advertising. Total expenditure for 2017-18 was \$130,609 (Table 3).

Table 3: Advertising expenditure for 2017-18

Category	2017-18 \$
Advertising agencies	40,377
Adcorp Australia Limited	40,377
Market research organisations	83,594
Patterson Research Group	83,594
Polling organisations	Nil
Direct mail organisations	4,238
Westcare Inc	4,238
Media advertising agencies	2,400
Fremantle Herald	2,400

Disability Access and Inclusion Plan

The Disability Services Commission 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 addresses the seven access and inclusion outcomes specified by the Disability Services Commission in accordance with the *Disability Services Act 1993*.

The Disability Services Commission's Disability Access and Inclusion Plan includes a range of initiatives focused on seven outcomes that aim to ensure its services, facilities and information are accessible and inclusive to the community it serves. It will remain in place until the Department of Communities' Disability Access and Inclusion Plan is implemented in 2018-19.

In 2017-18, the following initiatives delivered access and inclusion outcomes for people with disability:

Outcome 1: People with disability have the same opportunities as other people to access the services of, and any events organised by the Disability Services Commission.

- The Disability Services Commission remains committed to ensuring that individuals who are eligible for NDIS supports in Western Australia will not be disadvantaged by any future arrangements during transition and full scheme roll-out of the Australia-wide NDIS in Western Australia. Pursuant to the continuity of support provisions outlined in the bilateral agreement, and subject to the principles of reasonable and necessary, people with disability, their families and carers will be provided with continuity of supports that will ensure they are able to achieve similar outcomes to the outcomes they were aiming to achieve prior to WA joining the Australia-wide NDIS.
- The Disability Services Commission remains committed to supporting individuals to access local and targeted supports. Its Local Coordination staff continue to meet with individuals and families to offer assistance. The Disability Services Commission has ensured that its procedures and systems are structured to provide a seamless transition to the NDIS, during which individual services will continue without interruption. It also works with a range of organisations to identify and support individuals to transition to the NDIS.
- The Disability Services Commission supported a number of disability sector organisations across WA throughout 2017-18, through consultation, staff training and whole-of agency capacity building support. This has increased each organisation's capacity to implement Positive Behaviour Support, while reducing the use of restrictive practices, thereby improving the quality of life for individuals supported

by the organisations.

- The Implementing the Restricted Practice policy and developing the Cultural Competency of the Disability Sector project continued, involving widespread engagement with Aboriginal people around the State. This consultation was used to inform the development of training for disability sector organisations, to increase their ability to provide culturally secure support to Aboriginal people.

Outcome 2: People with disability have the same opportunities as other people to access the buildings and other facilities of the Disability Services Commission.

- The Disability Services Commission's integration into the Department of Communities has presented valuable opportunities for cross-agency liaison. The Disability Services Commission leveraged this to ensure all divisions within Communities are aware of the importance of providing accessible office spaces, and it continues to monitor its premises to ensure compliance with the Building Codes of Australia 2010, Australian Standard 1428 and the *Disability Discrimination Act 1992 (Cth)*.
- Access reports were commissioned on the Disability Services Commission's regional offices in South Hedland and Collie. Audits were conducted to ensure each facility meets access requirements, and included the assessment of adjacent carparks, footpath size, width and kerbs, corridors and turning circles, appropriate light switch positioning, tea prep areas, and accessible toilets. Remediation work has commenced at the Collie office, and the proposed refurbishment of the South Hedland office includes provision for access enhancements.

Outcome 3: People with disability receive information from the Disability Services Commission in a format that will enable them to access the information as readily as other people are able to access it.

- The Disability Services Commission continues its focus on maintaining the usability and accessibility of its website and website content, and on providing information in alternative formats. It continued to meet Web Content Accessibility Guidelines (WCAG) 2.0 to AA level throughout 2017-18.
- Key publications are provided in both PDF and accessible Word versions and information is provided in other versions on request, including publications available in Easy English and Easy Read formats to support access for people who may have limited literacy or English as a second language.

Outcome 4: People with disability receive the same level and quality of service from employees of the Disability Services Commission as other people receive.

- A range of training initiatives continue to be provided to prepare Local Coordination staff to support and effectively plan with people living with psychosocial disability. These include face to face sessions during induction programs, the provision of intranet resources and access to formal courses. The formal courses focus on equipping staff to effectively identify and respond to issues relating to psychosocial disability.
- All organisations engaged by service agreement with the Disability Services Commission must meet the National Standards for Disability Services and Schedule 1 and 2 of the *Disability Services Act 1993* as a condition of their contract. The Standards focus on continuous improvement,

particularly regarding ensuring people with disability have the same rights and access to quality services as the wider community.

Outcome 5: People with disability have the same opportunity as other people to make a complaint to the Disability Services Commission.

- The Disability Services Commission's dedicated Consumer Liaison Service is available to people with disability, their families and/or advocates to address any concerns they may have about disability services. The Disability Services Commission accepts complaints in a variety of formats using different ways to ensure there is flexibility and greater opportunities for people to raise issues.
- It continues to promote the complaints process at community forums and open days, as well as at its offices and orientation sessions, to increase and maintain awareness of the service.
- A grant targeted at expanding understanding of complaints management and handling practice among direct support staff was initiated. Effective strategies involved how to support people with disability and their families, as well as strategies about how to report, effect action and provide support in the case of serious events, and how to monitor these through to resolution.

Outcome 6: People with disability have the same opportunities as other people to participate in any public consultation by the Disability Services Commission.

- In the first half of 2017-18, extensive engagement activity was conducted to provide information to the community

about the expansion and extension of the WA NDIS into additional local government areas. This occurred via response to email enquiries and phone calls to a dedicated WA NDIS 1800 phone number, as well as promotion of the WA NDIS on the Disability Services Commission's website and across social media channels. The WA NDIS Facebook page was widely used to distribute information and engage with the public. These activities were complemented by community information sessions held in accessible venues across local government areas where the NDIS was being rolled out, as well as in existing WA NDIS trial sites.

- Following the 12 December 2017 announcement that Western Australia will join the Australia-wide NDIS from 1 July 2018, the Disability Services Commission worked closely with the National Disability Insurance Agency (NDIA) to assist people with disability, their families and carers to transition to the Australia-wide NDIS. Representatives from Local Coordination areas attend NDIA-facilitated events and forums, to provide support in relation to the transfer and transition to the Australia-wide NDIS.

Outcome 7: People with disability have the same opportunities as other people to obtain and maintain employment within the Disability Services Commission.

- The Disability Services Commission continues to support the development of initiatives and mechanisms that improve the attraction, recruitment and retention of employees with disability. The LeadAbility program was again promoted through the Disability Services Commission's staff training initiatives calendar and a grant to leadership WA who conduct the program. This mainstream leadership program is designed to empower people with disability to take up leadership roles in Western Australia.

- High level discussions were held to determine strategies and linkages by which the Disability Services Commission might leverage the expertise of the National Disability Recruitment Coordinator service.
- The National Disability Recruitment Coordinator works with employers across Australia by providing access to a network of disability employment services which assist job seekers with a disability. By coordinating programs with employment agencies and providing a range of advisory and support services, the National Disability Recruitment Coordinator develops relationships within the sector, thereby increasing organisational knowledge and confidence to help break down barriers to employment for people with disability.
- Improving employment outcomes for people with disability is a key priority for the Minister for Disability Services. As such, the Minister held a roundtable discussion with people with disability employed in the public sector on 13 December 2017. A second roundtable, held on 5 April 2018, brought together industry leaders and representatives from across Australia.

Agents and contractors

The Disability Services Commission's procurement processes require that contracted organisations are aware of their Disability Access and Inclusion Plan responsibilities and reporting requirements.

Substantive equality

The Disability Services Commission recognises the need to ensure all people are treated fairly and are recognised for their diversity. The Disability Services Commission is committed to ensuring that substantive equality principles are reflected appropriately in its policies, procedures and practices in accordance with the State Government's Policy Framework for Substantive Equality. The Policy Framework aims to achieve equality in the Western Australian public sector by addressing and eliminating systemic discrimination in the provision of public sector services and promoting sensitivity to the different needs of individuals.

Recordkeeping plan

The Disability Services Commission has a Recordkeeping Plan under section 19 of the *State Records Act 2000*. It is an annexure to the Department of Communities' approved Recordkeeping Plan 2018, which follows the principles and standards governing record keeping by state organisations.

The Disability Services Commission evaluates the efficiency and effectiveness of its recordkeeping system through ongoing audits to confirm that staff are following correct recordkeeping practices within client and administrative files.

The Disability Services Commission operates an online Recordkeeping Awareness Training program that covers staff obligations, rights and responsibilities under the Act. Ongoing training is provided to enhance the skills of Commission staff and improve their management of client and administrative records.

The Disability Services Commission regularly reviews its recordkeeping training initiatives and materials to ensure compliance with relevant legislation and standards, as well as keeping content and staff up-to-date with changes in recordkeeping systems.

Recordkeeping Awareness Training is a mandatory component of staff induction training. The effectiveness of the induction program in addressing employee roles and responsibilities is regularly reviewed to ensure compliance with the Act.

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 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 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 self-assessment, which enables organisations to review their policies and procedures and report on their progress toward implementing the Standards. The second component is independent evaluation, which involves review of an organisation's compliance with the 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. 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 for Disability Services.

The Disability Services Commission accepts complaints via a wide range of avenues including by telephone, letter, email, via its website and in person. It encourages concerns to be raised at the local level first. 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 via 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 30 complaints received in 2017-18 compared to 67 in the previous year. Of the 30 complaints received, 22 were made by family members/guardians on behalf of a person

with disability. Of these, 10 were on behalf of an adult with a disability and 12 were on behalf a child with a disability (17 years and under). Six complaints were made by a person with a disability. One was made by an advocate and one by a service provider, both on behalf of a person with a disability.

Fifty-three per cent of complainants were satisfied with how the complaint was managed, seven per cent were undecided, and 10 per cent not satisfied. Thirty per cent did not respond, or the complaint was not finalised.

Sixty per cent of complainants were satisfied with the outcome of the complaint, three per cent were undecided, and seven per cent not satisfied. Thirty per cent did not respond, or the complaint was not finalised.

Consumer and carer survey

External consultants Patterson Research Group were contracted to conduct the Disability Services Commission’s 2018 Consumer and Carer Satisfaction Survey.

The survey collected data from a random sample of 634 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 following two tables present details of the findings.

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

Measure	2015-16	2016-17	2017-18
Consumer reported awareness of the right to complain	84%	85%	86%
Consumer didn’t wish to complain	83%	78%	80%
Consumer reported making at least one complaint	10%	13%	13%
Consumer reported a cause to complain but felt unable to do so	7%	9%	7%

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

Measure	2015-16	2016-17	2017-18
Carer reported receiving information about complaints	62%	62%	61%
Awareness of their right to complain	78%	79%	77%
Carer reported making at least one complaint	6%	7%	7%
Carer reported a cause to complain but felt unable to do so	4%	10%	14%
Carer satisfaction that every effort was made to find a solution	62%	44%	52%
Carer satisfaction with complaint outcome	48%	44%	43%

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 within the sector. The Disability Services Commission works with carers and ensures 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. These values align with the Disability Services Commission's visions and values. 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 below table presents findings from the 2018 Consumer and Carer Satisfaction Survey, which reflects a continuing trend of high satisfaction levels with respect to the Charter.

Measure	2015-16	2016-17	2017-18
Treated with respect by staff	96%	93%	95%
Included in service delivery	92%	89%	90%
Included in assessments	92%	91%	91%
Included in planning on review sessions	93%	91%	93%
Sensitive to carers' views	91%	88%	88%
Sensitive to carers' needs	89%	82%	82%

² '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.

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 were provided to people with disability who have been sentenced, are on remand, are 'mentally impaired accused'² 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

support people with disability, particularly regarding issues related to offending behaviour. Over the past 12 months the service provided support to approximately 100 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 15 training sessions during the year.

Disability Justice Centre

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

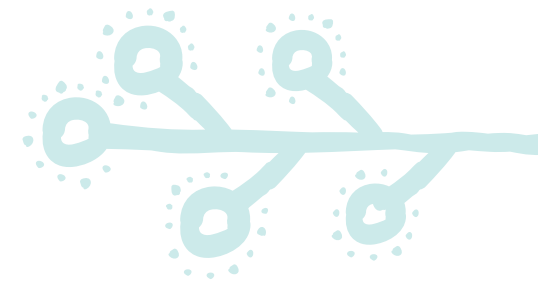
The community engagement group established in 2016 to build and maintain strong links with the local community continues to meet regularly. The group facilitates opportunities for community engagement and has resulted in the completion of several projects in which residents participated to contribute to the local community.

A review of the Centre was undertaken in 2017 by Mr Alan Carter. The report outlined 13 recommendations, which are currently being considered by the State Government.

Reporting and compliance

In 2017-18, two people resided at the Centre. Both residents were supported to access leave of absence 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 522 leave of absences; of these, one was 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 2017-18, the Mental Health Advocacy Service conducted visits to Centre residents 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' Annual Report 2017-18 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' Annual Report for 2017-18 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 2017-18.