



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

Disability Services Commission Annual Report

2019-20





Contents

Statement of compliance	2
Accessibility statement.....	3
Acknowledgement of country and peoples.....	3
Contact details	3
Overview	4
Chairperson’s report.....	4
Executive summary.....	6
Agency performance	10
Report on operations.....	10
Performance management framework	13
Key performance indicators summary.....	14
Financial performance summary	18
Disclosures and legal compliance	19
Auditor General’s opinion	20
Financial statements	24
Key performance indicators	109
Other statutory information	117
Ministerial directives.....	117
Other financial disclosures	118
Section 40 estimates.....	120
Board and committee remuneration	121
Governance disclosures.....	125
Other legal requirements.....	126
Government policy requirements	132

Statement of compliance



Hon Stephen Dawson MLC

Minister for Environment; Disability Services; Electoral Affairs

For the year ended 30 June 2020

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 2020.

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

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

Bruce Langoulant
Chairperson
Disability Services Commission Board
17 September 2020

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

Priya Cooper
Deputy Chairperson
Disability Services Commission Board
17 September 2020



Accessibility statement

The Department of Communities strives to achieve online accessibility when delivering information to be inclusive of a wide range of people, including people with disability. This annual report has been designed in both a PDF and accessible Word format. Some parts of the report may not achieve accessibility standards, for example the text size in some financial tables has been reduced to fit an A4 page. If you require an alternative format, please email: enquiries@communities.wa.gov.au

Acknowledgement of country and peoples

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

Contact details

Department of Communities

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Translating and Interpreting Service (TIS) – Telephone: 13 14 50

If you are deaf or have a hearing or speech impairment, contact us through the [National Relay Service](http://www.relayservices.gov.au) (www.relayservices.gov.au).

Overview

Chairperson's report

The Disability Services Commission Board (the Board) is an important body that has a long history of shaping a more welcoming and inclusive community for people with disability, their families and carers in Western Australia. In 2019–20 the Board held its 300th meeting, a milestone achievement of which we can all be proud.

The groundwork for the establishment of the Board came about in 1985, when the *Authority for the Intellectually Handicapped Persons Act 1985* was introduced.

Subsequent reforms, including the establishment of the Authority for Intellectually Handicapped Persons in 1986, the establishment of the Bureau for Disability Services in 1991, and the proclamation of the *WA Disability Services Act 1993*, have played a significant role in advancing the rights, responsibility, dignity, development and community participation of people with disability in Western Australia. These outcomes align with the State Government's priority to improve social and economic inclusion for people with disability.

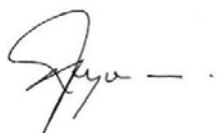
Although change has been an ongoing theme in the disability sector since 1985, perhaps the greatest change has occurred over the past couple of years. While change can present some challenges, it is also a chance to explore new and exciting opportunities.

The changing landscape of disability in WA, due to the roll-out of the National Disability Insurance Scheme and the machinery of government changes, will necessitate a review of the *Disability Services Act 1993*. This is a timely and necessary review to ensure the most appropriate framework exists to support people in WA with disability, their families and carers, on the next stage of their journey.

With its eye on the future, the Board has, over the past 12 months, worked tirelessly to further embed past achievements in the disability inclusion and participation space. Board members identified their 'circles of influence' to harness existing connections in the arts, academia, sporting institutions and corporate organisations through which the principles of access and inclusion for people with disability could be promoted.

In December 2019, the Board co-hosted a Spirit of Collaboration event with the Disability Boards Exchange. Attended by over 100 people from the disability sector, including the Minister for Disability Services, Hon Stephen Dawson MLC and the Minister for the National Disability Insurance Scheme, Hon Stuart Robert MP among others, the event provided a valuable opportunity to share information and promote a common goal – the successful implementation of the Australia-wide National Disability Insurance Scheme in WA.

As Board Chair, I am looking forward to 2020–21 with an enormous level of optimism. There is significant goodwill across the disability sector and many passionate and committed people who have dedicated their lives to supporting people with disability. That goodwill, commitment and dedication has carried us this far, and will carry us into the future.



Bruce Langoulant
Chairperson
Disability Services Commission Board

Executive summary

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

At that time, public sector officers employed by the Commission were transferred to the new department. Commission officers who are not public servants continue to be employed by the 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 Commission to use Communities' services.

The 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 Communities' annual report 2019–20.

Operational structure

Responsible Minister

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

Enabling legislation

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

Administered legislation

The 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

Disability Services Commission governance structure

The Minister for Disability Services, the Hon Stephen Dawson MLC, has oversight of the following:

- Ministerial Advisory Council on Disability, which is led by Chairperson Kerry Allan-Zinner
- Disability Services Commission, which is led by Chief Executive Officer Michelle Andrews
- Disability Services Commission Board, which is led by Chairperson Bruce Langoulant.

Figure 1: Disability Services Commission governance structure flowchart



Disability Services Commission Board

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

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

The Board takes an active role in maintaining an ongoing connection with the Western Australian community and in public engagement and inclusion initiatives.

Board members:

- Bruce Langoulant (Chairperson)
- Priya Cooper (Deputy Chairperson)
- Melissa Northcott
- Su-Hsien Lee
- Michelle Antonio
- Jaimen Hudson
- Kerry Allan-Zinner
- Terina Grace
- Gabrielle Trenbath (resigned 17 February 2020)
- Warren Harding (commenced 25 May 2020)

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 (the Council), an independent body appointed by the Minister for Disability Services.

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

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

Organisational structure

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

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

Department of Communities corporate structure

The Department of Communities' Director General, Michelle Andrews, has oversight of the following agency divisions:

- Community Services, led by Acting Deputy Director General, Rachael Green
- Governance, Integrity and Reform, led by Acting Deputy Director General, Samantha Palmer
- Aboriginal Outcomes, led by Acting Assistant Director General, Jacqueline Littlejohn
- Strategy and Partnerships, led by Acting Assistant Director General, Caron Irwin
- Assets, led by Acting Assistant Director General, Nigel Hindmarsh
- People, led by Chief People Officer, Kevin Hollingsworth
- Finance, led by Interim Chief Finance Officer, Nilushka Wijayadasa.

Figure 2: Department of Communities corporate structure flowchart



Agency performance

Report on operations

The activities of the Commission have been reported in Communities' annual report for 2019–20.

Expenses

The Commission's expenditure during 2019–20 was \$1,227.6 million, representing a three per cent decrease from the previous year. This decrease is mainly attributable to the transition to a Commonwealth-administered National Disability Insurance Scheme (NDIS) in Western Australia.

Table 1: Disability Services Commission expenditure 2017–18 to 2019–20

Measure	2017–18 (\$ million)	2018–19 (\$ million)	2019–20 (\$ million)	Change from 2018–19
Disability sector organisations' operations and services	788.74	746.63	\$401.95	(46%)(a)
Disability Services Commission operations and services	241.13	189.10	\$214.54*	13%(b)

*The Commission's operations and services for 2019–20 excludes contributions to the NDIS.

(a) The reduction in 2019–20 is due to the transition of individuals to the Commonwealth-administered NDIS.

(b) The increase in costs from 2018–19 relates to the Continuity of Support Program for people aged over 65 and currently receiving specialist disability services, which was not applicable in 2018–19, and a small portion of severance payments relating to 2019–20.

Income

Income from the Commonwealth Government reported during 2019–20 was \$238.0 million, representing a 13 per cent decrease from the previous year. This is due to the transition of State clients to the Commonwealth-administered NDIS. The Commonwealth redirects funding to the National Disability Insurance Agency (NDIA) for this purpose.

Income from the State Government reported during 2019–20 was \$974.8 million, an increase of five per cent from the previous year. This increase is primarily due to the State’s contribution to the NDIS (\$47.5 million).

During 2019–20, income from other sources was \$41.5 million, representing a 0.1 per cent increase from the previous year. This is due to the increase of people with disability in state-funded accommodation services transitioning to the NDIS. As a result, the Commission has recouped more funds from the NDIA in 2019-20.

Three-year trend

Table 2: Three-year trend of income received

Measure	2017–18 (\$ million)	2018–19 (\$ million)	2019–20 (\$ million)	Change from 2018–19
Total expenditure	1,029.87	1,260.46	1,227.63	(3%)
Income from the Commonwealth Government	238.64	274.13	238.00	(13%)
Income from the State Government	866.84	926.95	974.81	5%
Income from other sources	47.94	41.46	41.51	0.1%

Funding to disability sector organisations

A total of 195 disability sector organisations received funding from the Commission in 2019–20, compared with 233 in 2018–19.

Table 3: Number of disability sector organisations that received funding in 2019–20 and 2018–19

Funding amount	2018–19	2019–20
< \$1 million	148	136
\$1,000,001 – \$5 million	55	39
\$5,000,001 – \$20 million	21	13
> \$20 million	9	7
Total	233	195

Consistent with the trend of recent years, 65 per cent of the Commission’s expenses (excluding contributions to the NDIS) were allocated to disability sector organisations for the provision of services to people with disability.

Performance management framework

Outcome-based management reporting framework

State Government goal

The Commission contributes to the State Government goal of 'Strong communities: Safe communities and supported families.'

Outcome 1: Life is enhanced for people with disability in the Western Australian community

Key effectiveness performance indicators

- 1.1 Proportion of quality evaluations which met national disability standards
- 1.2 Percentage of disability service users who achieved their individual plan outcomes
- 1.3 Proportion of the population in need who received disability services
- 1.4 Proportion of disability service users who achieved community participation outcomes

Service 1: Supporting people with disability to access services and participate in their community

Key efficiency performance indicators

- 1.1 Proportion of individual plans commenced within the required timeframe
- 1.2 Average cost per service activity for community participation for people with disability

Service 2: Living supports and care for people with disability

Key efficiency performance indicators

- 2.1 Average cost per service activity for community living support for people with disability
- 2.2 Average cost per service activity for independent living support for people with disability
- 2.3 Average cost per service activity for therapy and specialised care for people with disability
- 2.4 Average cost per service activity for residential services for people with disability

Key performance indicators summary

The Commission’s performance in the achievement of its outcomes and delivery of its services is demonstrated in the key performance effectiveness and efficiency indicators, which are outlined in tables 4, 5 and 6. Further details on the indicators are contained in the key performance indicators section of this report.

The targets are published in the 2019–20 Western Australian State Budget Paper No 2 (Volume 2, Division 33, Part 8).

Table 4: Outcome 1. Life is enhanced for people with disability in the Western Australian community

Key effectiveness performance indicator **2018–19 actual** **2019–20 target** **2019–20 actual** **Explanation of significant variance**

1.1 Proportion of quality evaluations which met national disability standards 88% 85% 87% N/A

1.2 Percentage of disability service users who achieve their individual plan outcomes 77% 78% 74% N/A

1.3 Proportion of the population in need who received disability services 59% 69% N/A Due to the significant impact of the COVID-19 pandemic on the disability services sector, this data collection was ceased. The Under Treasurer approved an exemption from reporting this indicator in 2019–20, to assist in easing the administrative burden of sector organisations during this unprecedented period.

1.4 Proportion of disability service users who achieved community participation outcomes 74% 74% 72% N/A

Table 5: Service 1 – Supporting people with disability to access services and participate in their community

Key efficiency performance indicator	2018–19	2019–20	Explanation of significant variance
	actual	target	
1.1 Proportion of individual plans commenced within the required timeframe	86%	75%	When setting the target, it was difficult to predict the impact that the transfer and transition to the Australia-wide NDIS would have on plan timeliness. However, with the continued focus on ensuring continuity of services during the transition, plan timeliness has remained higher than expected.
1.2 Average cost per service activity for community participation for people with disability	\$11,743	\$7,213	N/A
			Due to the significant impact of the COVID-19 pandemic on the disability services sector, this data collection was ceased. The Under Treasurer approved an exemption from reporting this indicator in 2019–20, to assist in easing the administrative burden of sector organisations during this unprecedented period.

Table 6: Service 2 – Living supports and care for people with disability

Key efficiency performance indicator	2018–19 actual	2019–20 target	2019–20 actual	Explanation of significant variance
2.1 Average cost per service activity for community living support for people with disability	\$144,046	\$112,575	N/A	Due to the significant impact of the COVID-19 pandemic on the disability services sector, this data collection was ceased. The Under Treasurer approved an exemption from reporting this indicator in 2019–20, to assist in easing the administrative burden of sector organisations during this unprecedented period.
2.2 Average cost per service activity for independent living support for people with disability	\$30,542	\$20,057	N/A	Due to the significant impact of the COVID-19 pandemic on the disability services sector, this data collection was ceased. The Under Treasurer approved an exemption from reporting this indicator in 2019–20, to assist in easing the administrative burden of sector organisations during this unprecedented period.
2.3 Average cost per service activity for therapy and specialised care for people with disability	\$7,733	\$5,145	N/A	Due to the significant impact of the COVID-19 pandemic on the disability services sector, this data collection was ceased. The Under Treasurer approved an exemption from reporting this indicator in 2019–20, to assist in easing the administrative burden of sector organisations during this unprecedented period.
2.4 Average cost per service activity for residential services for people with disability	\$290,095	\$179,770	N/A	Due to the significant impact of the COVID-19 pandemic on the disability services sector, this data collection was ceased. The Under Treasurer approved an exemption from reporting this indicator in 2019–20, to assist in easing the administrative burden of sector organisations during this unprecedented period.

Changes to the outcome-based management reporting framework

The 2019–20 outcome-based management reporting framework was amended from the 2018–19 framework. The following key performance indicators were not reported from 2019–20 due to the changing environment as services are transferred and transitioned to the Australia-wide NDIS:

- Satisfaction with individualised planning process
- Satisfaction with service received
- Service users' satisfaction with community access and inclusion
- Average cost per intensity of individual support requirements
- Proportion of access, inclusion and advocacy projects completed within the required time.

Financial performance summary

The Commission's financial performance summary is reported in Communities' annual report for 2019–20.

Disclosures and legal compliance

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 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Summary of Consolidated Account Appropriations 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 2020 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 Responsibility 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 entity'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.

Page 1 of 4

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

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 2020.

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 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 non-compliance 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 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and 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 agency's performance and fairly represent indicated performance for the year ended 30 June 2020.

Matter of Significance

The Commission received an exemption from the Under Treasurer from reporting the following key performance indicators for the year ended 30 June 2020:

- Proportion of the population in need who received disability services
- Average cost per service activity for community participation for people with disability
- Average cost per service activity for community living support for people with disability
- Average cost per service activity for independent living support for people with disability
- Average cost per service activity for therapy and specialised care for people with disability
- Average cost per service activity for residential services for people with disability.

The exemption was approved because of the impacts of the COVID-10 pandemic on the Commission's data collection. The Commission brought forward the early closure of its Annual Client and Service Data Collection System to 2019-20 to reduce the administrative burden on Disability Sector Organisations. Consequently, these indicators have not been reported. My opinion is not modified in respect of this matter.

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 entity'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 2020 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 contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
22 September 2020

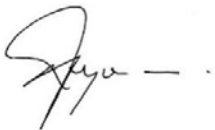
Financial statements

Certification of financial statements

For the reporting period ended 30 June 2020

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 reporting period ended 30 June 2020 and the financial position as at 30 June 2020.

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



Bruce Langoulant
Chairperson
Disability Services Commission Board
17 September 2020



Priya Cooper
Deputy Chairperson
Disability Services Commission Board
17 September 2020



Nilushka Wijayadasa
Chief Finance Officer
17 September 2020

Statement of comprehensive income

For the year ended 30 June 2020

Table 7: Statement of comprehensive income

Expenses and income	Notes	2020 \$000	2019 \$000
Cost of services	–	–	–
Expenses	–	–	–
Employee benefits expenses	3.1(a)	131,613	125,500
Supplies and services	3.3	24,705	20,725
Depreciation and amortisation expense	5.1(a),5.2, 5.3(a)	6,613	5,326
Finance costs	7.2	89	–
Accommodation expenses	3.3	6,823	7,506
Expense for services	3.2	1,054,012	1,097,610
Loss on disposal of non-current assets	4.5	199	389
Other expenses	3.3	3,575	3,404
Total cost of services	–	1,227,629	1,260,460
Revenue and income	–	–	–
User charges and fees	4.2	21,501	13,632
Commonwealth grants and contributions	4.4	237,999	274,131
Other revenue	4.3	20,006	27,828
Total revenue	–	279,506	315,591
Total income other than income from State Government	–	279,506	315,591
Net cost of services	–	948,123	944,869

Expenses and income	Notes	2020 \$000	2019 \$000
Income from State Government	–	–	–
Service appropriation	4.1	969,490	921,863
Services received free of charge	4.1	5,253	5,019
Royalties for Regions fund	4.1	64	65
Total income from State Government	–	974,807	926,947
Surplus/(deficit) for the period	–	26,684	(17,922)
Other comprehensive income	–	–	–
Items not reclassified subsequently to profit or loss	–	–	–
Changes in asset revaluation surplus	–	70	147
Total other comprehensive income	–	70	147
Total comprehensive income for the period	–	26,754	(17,775)

The statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2020

Table 8: Statement of financial position

Assets, liabilities and equity	Notes	2020 \$000	2019 \$000
Assets - current	–	–	–
Cash and cash equivalents	7.3	199,394	101,795
Restricted cash and cash equivalents	7.3	400	912
Receivables	6.1	48,975	28,188
Other current assets	6.3	13,310	14,521
Total current assets	–	262,079	145,416
Assets - non-current	–	–	–
Restricted cash and cash equivalents	7.3	2,350	1,729
Amounts receivable for services	6.2	72,366	64,695
Property, plant and equipment	5.1	29,925	32,740
Right-of-use assets	5.2	2,846	–
Intangible assets	5.3	2,238	3,580
Other non-current assets	6.3	8	–
Total non-current assets	–	109,733	102,744
Total assets	–	371,812	248,160
Liabilities - current	–	–	–
Payables	6.4	124,463	31,581
Lease liabilities	7.1	967	–
Employee related provisions	3.1(b)	12,707	13,803
Other provision	6.5	267	–
Total current liabilities	–	138,404	45,384

Assets, liabilities and equity	Notes	2020 \$000	2019 \$000
Liabilities - non-current	–	–	–
Lease liabilities	7.1	1,905	–
Employee related provisions	3.1(b)	977	895
Other provision	6.5	545	–
Total non-current liabilities	–	3,427	895
Total liabilities	–	141,831	46,279
Net assets	–	229,981	201,881
Equity	–	–	–
Contributed equity	9.10	55,081	53,735
Reserves	9.10	41,357	41,287
Accumulated surplus	–	133,543	106,859
Total equity	–	229,981	201,881

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 2020

Table 9: Statement of changes in equity

Changes in equity	Notes	Contributed equity \$000	Reserves \$000	Accumulated surplus/ (deficit) \$000	Total equity \$000
Balance at 1 July 2018	–	53,735	41,140	124,781	219,656
Deficit	–	–	–	(17,922)	(17,922)
Other comprehensive income	–	–	147	–	147
Total comprehensive income for the period	–	–	147	(17,922)	(17,775)
Transactions with owners in their capacity as owners:	9.10	–	–	–	–
Capital appropriation	–	–	–	–	–
Total	–	–	–	–	–
Balance at 30 June 2019	–	53,735	41,287	106,859	201,881
Balance at 1 July 2019	–	53,735	41,287	106,859	201,881
Surplus	–	–	–	26,684	26,684
Other comprehensive income	–	–	70	–	70
Total comprehensive income for the period	–	–	70	26,684	26,754
Transactions with owners in their capacity as owners:	9.10	–	–	–	–

Capital appropriation	–	1,346	–	–	1,346
Total	–	1,346	–	–	1,346
Balance at 30 June 2020	–	55,081	41,357	133,543	229,981

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 2020

Table 10: Statement of cash flows

Cash flows	Notes	2020 \$000	2019 \$000
Cash flows from State Government	–	–	–
Service appropriation	–	961,819	915,581
Capital appropriation	–	1,346	–
Holding account drawdown	–	–	205
Royalties for Regions fund	–	–	65
Net cash provided by State Government	–	963,165	915,851
Utilised as follows:	–	–	–
Cash flows from operating activities - payments	–	–	–
Employee benefits	–	(129,407)	(125,358)
Supplies and services	–	(23,303)	(33,318)
Finance costs	–	(89)	–
Expense for services	–	(969,621)	(1,068,169)
Goods and Services Tax (GST) payments on purchases	–	(42,019)	(79,031)
GST payments to taxation authority	–	(4,412)	(5,058)
Cash flows from operating activities - receipts	–	–	–
User charges and fees	–	21,067	13,685
Commonwealth grants and contributions	–	204,688	287,965
GST receipts on sales	–	2,603	5,505
GST receipts from taxation authority	–	44,649	79,472
Other receipts	–	32,134	15,269

Net cash used in operating activities	7.3(b)	(863,710)	(909,038)
Cash flows from investing activities - payments	-	-	-
Purchase of non-current assets	-	(423)	(744)
Cash flows from investing activities - receipts	-	-	-
Proceeds from sale of non-current assets	-	-	9
Net cash used in investing activities	-	(423)	(735)
Cash flows from financing activities - payments	-	-	-
Principal elements of lease payments	-	(1,324)	-
Net cash used in financing activities	-	(1,324)	-
Net increase in cash and cash equivalents	-	97,708	6,078
Cash and cash equivalents at the beginning of the period	-	104,436	98,358
Cash and cash equivalents at the end of the period	7.3	202,144	104,436

The statement of cash flows should be read in conjunction with the accompanying notes.

Summary of consolidated account appropriations

For the year ended 30 June 2020

Table 11: Summary of consolidated account appropriations

Account appropriations	Budget estimate 2020 \$000	Supplementary funding 2020 \$000	Revised budget 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
Delivery of services	–	–	–	–	–
Item 69 Net amount appropriated to deliver services	1,016,341	–	1,016,341	963,014	53,327
Section 25 Transfer of service appropriation	–	6,476	6,476	6,476	–
Total appropriations provided to deliver services	1,016,341	6,476	1,022,817	969,490	53,327
Capital	–	–	–	–	–
Item 136 Capital appropriation	4,526	–	4,526	1,346	3,180
Grand total	1,020,867	6,476	1,027,343	970,836	56,507

Notes to the financial statements

1. Basis of preparation

The Disability Services Commission (the Commission) is a Western Australian Government entity, controlled by the State of Western Australia, which is the ultimate parent. The Commission is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Board of the Commission on 17 September 2020.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

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

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where 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.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$000).

Judgements and estimates

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

Significant judgements and estimates have been made to meet the requirements of the new standards AASB 15, AASB 1058, AASB 16 and the calculation of expected credit losses.

AASB 15: Key judgements include determining the timing of revenue from contracts with customers in terms of timing of satisfaction of performance obligations and determining the transaction price and the amounts allocated to performance obligations.

Estimation uncertainty include determining the transaction prices (estimating variable consideration, adjusting the consideration for the time value of money and measuring non-cash considerations), allocating the transaction price, including estimating stand alone selling prices and allocating discounts and variable consideration.

AASB 1058: Key judgements include the determination of the applicable standard, through an assessment of the specificity of the performance obligations in any enforceable agreement.

AASB 16: In applying AASB 16 for the first time, the Commission has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Expected credit losses

Expected credit losses are a probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant timeframe that debtors are not settled. They are determined by evaluating a range of possible outcomes and taking into account the time value of money, past events, current conditions and forecasts of future economic conditions mainly for the disability services organisations and other customers.

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.

Comparative figures

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

2. Commission outputs

How the Commission operates

This section includes information regarding the nature of funding the Commission receives and how this funding is utilised to achieve the Commission's objectives. This note also provides the distinction between controlled funding and administered funding:

Notes:

- Commission objectives 2.1
- Schedule of income and expenses by service 2.2

2.1 Commission objectives

Services

The Commission has revised its outcome-based management structure to reflect its current operations. These new services more appropriately reflect the Commission's disability service supports given the changing focus of disability services resulting from the transition to the Commonwealth-administered NDIS.

The Commission provides the following services:

Service 1: Supporting people with disability to access services and participate in their community

This is a new service which is an amalgamation of the following disability services from 2018–19: planning and coordination, community participation, and advocacy, access and inclusion.

This service area assists people with disability to identify their personal goals and have choice and control in decision-making through a planning process; and provides them with opportunities to develop their potential for full social independence through the use of supports and assistive technology.

Service 2: Living supports and care for people with disability

This is a new service which is an amalgamation of the following disability services from 2018–19: residential services, community living support, independent living support, and therapy and specialised care.

These services include a range of supported accommodation and community services that enable people with disability to live as independently as possible in their community with the support of general and specialised support and services.

2.2 Schedule of income and expenses by service

For the year ended 30 June 2020

Table 12: Schedule of income and expenses by service

Income and expenses	Supporting people with disability to access services and participate in their community 2020 \$000	Supporting people with disability to access services and participate in their community 2019 \$000	Living supports and care for people with disability 2020 \$000	Living supports and care for people with disability 2019 \$000
Cost of services	-	-	-	-
Expenses	-	-	-	-
Employee benefits expense	41,820	48,778	89,793	76,722
Supplies and services	7,755	7,616	16,950	13,109
Depreciation and amortisation expense	1,888	1,426	4,725	3,900
Finance costs	41	-	48	-
Accommodation expense	2,818	4,063	4,005	3,443
Expense for services	109,943	224,404	332,925	548,483
Loss on disposal of non-current assets	54	119	145	270
Other expenses	970	1,052	2,605	2,352
Total cost of services	165,289	287,458	451,196	648,279
Revenue and income	-	-	-	-

Income and expenses	Supporting people with disability to access services and participate in their community 2020 \$000	Supporting people with disability to access services and participate in their community 2019 \$000	Living supports and care for people with disability 2020 \$000	Living supports and care for people with disability 2019 \$000
User charges and fees	–	–	21,501	13,632
Commonwealth grants and contributions	40,951	67,162	111,794	151,469
Other revenue	5,363	8,549	14,643	19,279
Total income other than income from State Government	46,314	75,711	147,938	184,380
Net cost of services	118,975	211,747	303,258	463,899
Income from State Government	–	–	–	–
Service appropriation	259,915	200,491	709,575	452,149
Services received free of charge	1,409	1,542	3,844	3,477
Royalties for Regions fund	18	21	46	44
Total income from State Government	261,342	202,054	713,465	455,670
Surplus/(deficit) for the period	142,367	(9,693)	410,207	(8,229)

Table 13: Schedule of income and expenses by service

Income and expenses	NDIS – State contribution (a) 2020 \$000	NDIS – State contribution (a) 2019 \$000	Total 2020 \$000	Total 2019 \$000
Cost of services	–	–	–	–
Expenses	–	–	–	–
Employee benefits expense	–	131,613	–	125,500
Supplies and services	–	24,705	–	20,725
Depreciation and amortisation expense	–	6,613	–	5,326
Finance costs	–	89	–	–
Accommodation expense	–	6,823	–	7,506
Expense for services	611,144	324,723	1,054,012	1,097,610
Loss on disposal of non-current assets	–	–	–	389
Other expenses	–	3,575	–	3,404
Total cost of services	611,144	324,723	1,227,629	1,260,460
Revenue and income	–	–	–	–
User charges and fees	–	21,501	–	13,632
Commonwealth grants and contributions	85,254	55,500	237,999	274,131
Other revenue	–	20,006	–	27,828

Income and expenses	NDIS – State contribution (a) 2020 \$000	NDIS – State contribution (a) 2019 \$000	Total 2020 \$000	Total 2019 \$000
Total income other than income from State Government	85,254	55,500	279,506	315,591
Net cost of services	525,890	269,223	948,123	944,869
Income from State Government	–	–	–	–
Service appropriation	–	269,223	969,490	921,863
Services received free of charge	–	–	5,253	5,019
Royalties for Regions fund	–	–	64	65
Total income from State Government	–	269,223	974,807	926,947
Surplus/(deficit) for the period	(525,890)	–	26,684	(17,922)

The schedule of income and expenses by service should be read in conjunction with the accompanying notes. The services for the 2018-19 actuals have been restated where possible for comparability purposes.

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

3 Use of our funding

Expenses incurred in the delivery of services

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

Table 14: Expenses incurred in the delivery of services

Expenses incurred in the delivery of services	Notes	2020 \$000	2019 \$000
Employee benefits expenses	3.1(a)	131,613	125,500
Employee related provisions	3.1(b)	13,684	14,698
Expense for services	3.2	1,054,012	1,097,610
Other expenditure	3.3	35,103	31,635

3.1(a) Employee benefits expenses

Table 15: Employee benefits expenses

Employee benefits expenses	2020 \$000	2019 \$000
Employee benefits	114,555	116,475
Termination benefits	6,459	–
Superannuation – defined contribution plans	10,599	9,025
Total employee benefits expenses	131,613	125,500
Add: AASB 16 Non-monetary benefits	303	–
Less: employee contributions	(165)	–
Net employee benefits	131,751	125,500

Employee benefits include wages, salaries, accrued and paid leave entitlements and non-monetary benefits (such as housing and cars) for employees.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Commission is demonstrably committed to terminating the employment of current employees

according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation is the amount recognised in profit or loss of the statement of comprehensive income comprises employer contributions paid to the Gold State Super (GSS) (concurrent contributions), the West State Super (WSS), the Government Employees Superannuation Board (GESB), or other superannuation funds.

AASB 16 Non-monetary benefits are employee benefits in the form of non-monetary benefits, such as the provision of motor vehicles or housing, and are measured at cost.

3.1(b) Employee-related provisions

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

Table 16: Employee-related provisions - current

Current	2020 \$000	2019 \$000
Employee benefits provisions	–	–
Annual leave(a)	3,698	3,962
Long service leave(b)	4,156	4,743
Accrued days off(a)	1,863	2,281
Public holidays(a)	2,772	2,524
Time off in lieu	11	–
Deferred salary scheme(c)	98	108
Subtotal	12,598	13,618
Other provisions	–	–
Employment on-costs(d)	109	185
Total current employee related provisions	12,707	13,803

Table 17: Employee-related provisions – non-current

Non-current	2020 \$000	2019 \$000
Employee benefits provisions	–	–
Long service leave(b)	964	883
Other provisions	–	–
Employment on-costs(d)	13	12
Total non-current employee related provisions	977	895
Total employee related provisions	13,684	14,698

(a) Leave liabilities: leave liabilities including annual leave, accrued days off 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:

Table 18: Leave liabilities

Leave liabilities	2020 \$000	2019 \$000
Within 12 months of the end of the reporting period	7,183	7,772
More than 12 months after the end of the reporting period	1,161	995
Total	8,344	8,767

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) Long service leave liabilities: 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.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Table 19: Long service leave liabilities

Long service leave liabilities	2020 \$000	2019 \$000
Within 12 months of the end of the reporting period	1,646	1,809
More than 12 months after the end of the reporting period	3,474	3,817
Total	5,120	5,626

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

(c) Deferred salary scheme liabilities: classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:

Table 20: Deferred salary scheme liabilities

Deferred salary scheme liabilities	2020 \$000	2019 \$000
Within 12 months of the end of the reporting period	98	–
More than 12 months after the end of the reporting period	–	108
Total	98	108

(d) Employment on-costs: The settlement of annual 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.

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, note 3.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Commission's 'employee benefits expense'. The related liability is included in 'employment on-costs provision'.

Table 21: Employment on-costs

Employment on-costs provision	2020 \$000	2019 \$000
Carrying amount at start of period	197	196
Additional (reversals of) provisions recognised	(75)	1
Carrying amount at end of period	122	197

Key sources of estimation uncertainty – long service leave

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

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

- expected future salary rates
- discount rates
- employee retention rates
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

3.2 Expense for services

Table 22: Expense for services

Expense for services	2020 \$000	2019 \$000
Expenditure on services provided by funded agencies	401,946	746,633
Individual funding and other grants	9,642	26,254
Continuity of support contribution	31,280	–
NDIS - State contribution	611,144	324,723
Total expense for services	1,054,012	1,097,610

Expenditure on services provided by funded agencies reflects expenditure related to services/grants agreements, for services provided by disability services organisations for non-NDIS and Western Australian NDIS clients.

Individual funding and other grants reflect self-managed grant funding provided directly to clients and their families.

Continuity of support contribution program supports specialist disability services for people aged 65 and over and Indigenous people aged 50 and over.

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

3.3 Other expenditure

Table 23: Other expenditure

Other expenditure	2020 \$000	2019 \$000
Supplies and services	–	–
Communications	1,059	1,244
Consultants and contractors	17,975	11,236
Consumables	3,739	4,343
Repairs and maintenance	900	604
Lease rentals	–	2,125
Travel	350	454
Other	682	719
Total supplies and services expenses	24,705	20,725
Accommodation expenses	–	–
Lease rentals(a)	5,172	5,725
Repairs and maintenance	1,184	1,225
Cleaning	232	307
Other	235	249
Total accommodation expenses	6,823	7,506

Other expenditure	2020 \$000	2019 \$000
Other	–	–
Insurance	262	286
Expected credit losses expense	368	25
Employment on-costs	2,920	3,087
Other	25	6
Total other expenses	3,575	3,404
Total other expenditure	35,103	31,635

(a) Included within rental costs are variable lease payments and low value leases of up to \$5,000. This excludes leases with another wholly-owned public sector entity lessor agency. Refer to note 5.2 for variable lease payments and low value leases expenses.

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Rental expenses include:

- i. short-term leases with a lease term of 12 months or less
- ii. low-value leases with an underlying value of \$5,000 or less
- iii. variable lease payments, recognised in the period in which the event or condition that triggers those payments occurs.

Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Expected credit losses is an allowance of trade receivables, measured at the lifetime expected credit losses at each reporting date. The Commission has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 6.1(a) Movement in the allowance for impairment of trade receivables.

Employee on-costs include workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 3.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

4. Our funding sources

How we obtain our funding

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

Table 24: Funding sources

Funding sources	Notes	2020 \$000	2019 \$000
Income from State Government	4.1	974,807	926,947
User charges and fees	4.2	21,501	13,632
Other revenue	4.3	20,006	27,828
Commonwealth grants and contributions	4.4	237,999	274,131
Loss on disposal	4.5	(199)	(389)

4.1 Income from State Government

Table 25: Income from State Government

Income from State Government	2020 \$000	2019 \$000
Appropriation received during the period	–	–
Service appropriation	969,490	921,863
Total	969,490	921,863

Table 26: Services received free of charge from other State government agencies

Services received free of charge from other State government agencies during the period	2020 \$000	2019 \$000
Child and Adolescent Health Service – paediatric service	3,197	2,877
North Metropolitan Health Service – dental treatment	1,469	1,568
State Solicitor’s Office – legal service	2	15
Department of Finance – accommodation service	585	559
Total services received	5,253	5,019
Royalties for Regions fund	–	–
Regional Community Services Account(a) – Department of Primary Industries and Regional Development	64	65
Total Royalties for Regions fund	64	65
Total income from State Government	974,807	926,947

Service appropriations are recognised as income at the fair value of consideration received 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 in the bank account or credited to the ‘Amounts receivable for services’ (holding account) held at Treasury.

Service appropriations fund the net cost of services delivered (as set out in note 2.2). Appropriation revenue comprises the following:

- cash component
- a receivable (asset).

The receivable (holding account – note 6.2) comprises the following:

- the budgeted depreciation expense for the year
- any agreed increase in leave liabilities during the year.

(a) Regional Community Services Account is a sub-fund within the over-arching ‘Royalties for Regions fund’. The recurrent funds are committed to projects and programs in Western Australian regional areas and are recognised as income when the Commission receives the funds. The Commission has assessed Royalties for Regions agreements and concludes that they are not within the scope of AASB 15 as they do not meet the ‘sufficiently specific’ criterion.

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of income from State Government.

4.2 User charges and fees

Table 27: User charges and fees

User charges and fees	2020 \$000	2019 \$000
Board and lodging	21,501	13,632
Total	21,501	13,632

Until 30 June 2019, revenue was recognised and measured at the fair value of consideration received or receivable.

From 1 July 2019, revenue is recognised over time as it is invoiced. The Commission satisfies its performance obligation over time, as the customer simultaneously receives and consumes the benefits provided by the Commission as it delivers them.

4.3 Other revenue

Table 28: Other revenue

Other revenue	2020 \$000	2019 \$000
Department of Health – Home and Community Care (HACC) and Community Aids and Equipment Program (CAEP)	–	588
Executive vehicle scheme contribution	66	72
Government Regional Officers' Housing (GROH) – employee contribution	99	148
Recoups and return of surplus grants from service providers (a)	17,311	23,492
Other	2,530	3,528
Total	20,006	27,828

Until 30 June 2019, revenue was recognised and measured at the fair value of consideration received or receivable.

From 1 July 2019, revenue is recognised over time as it is invoiced.

(a) Revenue from the return of grants based on actual delivery of services previously advanced to service providers based on quarterly estimates.

4.4 Commonwealth grants and contributions

Table 29: Commonwealth grants and contributions

Commonwealth grants and contributions	2020 \$000	2019 \$000
National Disability Agreement	173,178	182,465
National partnership payments – HACC	–	4,061
National partnership payments – pay equity	33,311	50,545
Commonwealth contribution specialist disability services	28,216	27,262
Commonwealth contribution – information linkages and capacity building	–	9,717
Continuity of support contribution - Department of Health	3,016	–
Other	278	81
Total	237,999	274,131

Until 30 June 2019, income from Commonwealth grants is recognised at fair value when the grants are receivable.

From 1 July 2019, Commonwealth grants are recognised as income when the grants are receivable or when the Commission satisfies its performance obligation when its funders simultaneously receive and consume the benefits provided.

4.5 Loss on disposal of non-current assets

Table 30: Loss on disposal of non-current assets

Loss on disposal of non-current assets	2020 \$000	2019 \$000
Net proceeds from disposal of non-current assets	–	–
Plant, equipment and vehicles	–	9
Carrying amount of non-current assets disposed	–	–
Plant, equipment and vehicles	(199)	(398)
Net loss	(199)	(389)

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

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses.

Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sale).

5. Key assets

Assets the Commission utilises for economic benefit or service potential

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

Table 31: Key assets

Key assets	Notes	2020 \$000	2019 \$000
Property, plant and equipment	5.1	29,925	32,740
Right-of-use assets	5.2	2,846	–
Intangibles	5.3	2,238	3,580
Total key assets	–	35,009	36,320

5.1 Property, plant and equipment

Table 32: Property, plant and equipment year ended 30 June 2019

Year ended 30 June 2019	Land \$000	Buildings \$000	Computing equipment \$000	Medical equipment \$000	Motor vehicles \$000	Plant and equipment \$000	Office equipment \$000	Leasehold improvements \$000	Work in progress \$000	Total \$000
1 July 2018	–	–	–	–	–	–	–	–	–	–
Gross carrying amount	17,436	9,036	14,203	199	57	467	579	19,373	329	61,679
Accumulated depreciation	–	–	(9,758)	(150)	(3)	(377)	(378)	(14,711)	–	(25,377)
Carrying amount at start of period	17,436	9,036	4,445	49	54	90	201	4,662	329	36,302
Additions	–	–	–	–	–	–	–	–	347	347
Transfers	–	190	113	–	43	–	29	196	(571)	–
Disposals	–	(2)	(49)	–	(9)	–	(4)	(296)	–	(360)
Revaluation increments/ (decrements)	328	(181)	–	–	–	–	–	–	–	147
Depreciation	–	(289)	(1,824)	(11)	(18)	(25)	(78)	(1,451)	–	(3,696)
Carrying amount at 30 June 2019	17,764	8,754	2,685	38	70	65	148	3,111	105	32,740

Year ended 30 June 2019	Land \$000	Buildings \$000	Computing equipment \$000	Medical equipment \$000	Motor vehicles \$000	Plant and equipment \$000	Office equipment \$000	Leasehold improvements \$000	Work in progress \$000	Total \$000
Gross carrying amount	17,764	8,754	13,925	199	86	431	583	16,482	105	58,329
Accumulated depreciation	-	-	(11,240)	(161)	(16)	(366)	(435)	(13,371)	-	(25,589)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-

Table 33: Property, plant and equipment year ended 30 June 2020

Year ended 30 June 2020	Land \$000	Buildings \$000	Computing equipment \$000	Medical equipment \$000	Motor vehicles \$000	Plant and equipment \$000	Office equipment \$000	Leasehold improvements \$000	Work in progress \$000	Total \$000
1 July 2019	-	-	-	-	-	-	-	-	-	-
Gross carrying amount	17,764	8,754	13,925	199	86	431	583	16,482	105	58,329
Accumulated depreciation	-	-	(11,240)	(161)	(16)	(366)	(435)	(13,371)	-	(25,589)
Carrying amount at start of period	17,764	8,754	2,685	38	70	65	148	3,111	105	32,740
Additions	-	14	-	-	-	-	-	839	178	1,031
Transfers	-	-	104	-	-	-	-	-	(104)	-
Disposals	-	-	-	-	-	-	-	(198)	-	(198)
Revaluation increments/ (decrements)	(8)	78	-	-	-	-	-	-	-	70
Depreciation	-	(287)	(1,334)	(10)	(17)	(23)	(71)	(1,976)	-	(3,718)
Carrying amount at 30 June 2020	17,756	8,559	1,455	28	53	42	77	1,776	179	29,925

Year ended 30 June 2020	Land \$000	Buildings \$000	Computing equipment \$000	Medical equipment \$000	Motor vehicles \$000	Plant and equipment \$000	Office equipment \$000	Leasehold improvements \$000	Work in progress \$000	Total \$000
Gross carrying amount	17,756	8,559	14,029	199	86	431	583	14,399	179	56,221
Accumulated depreciation	-	-	(12,574)	(171)	(33)	(389)	(506)	(12,623)	-	(26,296)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-

Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. 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 which are significant in total).

Assets transferred as part of a machinery of government change are transferred at their fair value.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land
- buildings.

Land is carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses.

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

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

Land and buildings were revalued as at 1 July 2019 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2020 and recognised at 30 June 2020. In undertaking the revaluation, fair value was determined by reference to market values for land at \$12.516 million (2019: \$12.483 million) and buildings at \$0.931 million (2019: \$0.873 million). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Revaluation model

(a) Fair value where market-based evidence is available:

The fair value of land and buildings is determined on the basis of 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.

(b) Fair value in the absence of market-based evidence:

Buildings are specialised or where land is restricted: fair value of land and buildings is determined on the basis of existing use.

Existing use buildings: fair value 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 gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset.

Restricted use land: fair value 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).

Significant assumptions and judgements: 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.

5.1(a) Depreciation and impairment

Table 34: Depreciation and impairment

Charge for the period	Notes	2020 \$000	2019 \$000
Depreciation	–	–	–
Buildings	5.1	287	289
Plant and equipment	5.1	23	25
Computer equipment	5.1	1,334	1,824
Medical equipment	5.1	10	11
Motor vehicles	5.1	17	18
Office equipment	5.1	71	78
Leasehold improvements	5.1	1,976	1,451
Total depreciation for the period	–	3,718	3,696

As at 30 June 2020 there were no indications of impairment to property, plant and equipment.

Finite useful lives

All property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exception to this rule is land.

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

Assets useful life:

- 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 vehicles – 5 years
- software(a) – 5 years.

(a) Software that is integral to the operation of related hardware.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of this asset because their service potential has not, in any material sense, been consumed during the reporting period.

Impairment

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

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

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Commission is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

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

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

5.2 Right-of-use assets

Table 35: Right-of-use assets

Year ended 30 June 2020	Buildings \$000	Vehicles \$000	Total \$000
At 30 June 2019	–	–	–
Opening net carrying amount	–	–	–
Recognition of right-of-use assets on initial application of AASB 16	95	3,928	4,023
Restated opening carrying amount	95	3,928	4,023
1 July 2019	–	–	–
Gross carrying amount	95	3,928	4,023
Accumulated depreciation	–	–	–
Accumulated impairment loss	–	–	–
Carrying amount at start of period	95	3,928	4,023
Additions	243	390	633
Disposals	(57)	(403)	(460)
Depreciation	(195)	(1,155)	(1,350)
Carrying amount at 30 June 2020	86	2,760	2,846
Gross carrying amount	200	3,757	3,957
Accumulated depreciation	(114)	(997)	(1,111)
Accumulated impairment loss	–	–	–

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs, including dismantling and removing the underlying asset.

This includes all leased assets other than investment property right-of-use assets, which are measured in accordance with AASB 140 Investment property.

The Commission has elected to apply the short-term (with a lease term of 12 months or less) and low value (with an underlying value of \$5,000 or less) lease exemption criteria per AASB 16, except where the lease is with another wholly-owned public sector entity lessor agency. Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Commission at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1(a).

The following amounts relating to leases have been recognised in the statement of comprehensive income:

Table 36: Leases recognised in the statement of comprehensive income

Leases recognised in the statement of comprehensive income	2020 \$000	2019 \$000
Depreciation expense of right-of-use assets	1,350	–
Lease interest expense	89	–
Expenses relating to variable lease payments not included in lease liabilities	–	–
Short-term leases	–	–
Low-value leases	–	–
Gains or losses arising from sale transactions	14	–
Total amount recognised in the statement of comprehensive income	1,453	–

The total cash outflow for leases in 2020 was \$1.41 million.

The Commission’s leasing activities and how these are accounted for:

- the Commission has leases for vehicles, office and residential accommodations
- the Commission has also entered into a Memorandum of Understanding (MOU) agreement with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred
- up to 30 June 2019, the Commission classified leases as operating leases. From 1 July 2019, the Commission recognises leases as right-of-use assets and associated lease liabilities in the statement of financial position
- the corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 7.1.

5.3 Intangible assets

Table 37: Intangible assets – year ended 30 June 2019

Intangible assets – year ended 30 June 2019	Work in progress \$000	Computer software \$000	Total \$000
1 July 2018	–	–	–
Gross carrying amount	1,264	14,498	15,762
Accumulated amortisation	–	(10,911)	(10,911)
Carrying amount at start of period	1,264	3,587	4,851
Additions	397	1,309	1,706
Disposal	–	(38)	(38)
Transfer to computer software	(1,309)	–	(1,309)
Amortisation expense	–	(1,630)	(1,630)
Carrying amount at 30 June 2019	352	3,228	3,580

Table 38: Intangible assets – year ended 30 June 2020

Intangible assets – year ended 30 June 2020	Work in progress \$000	Computer software \$000	Total \$000
1 July 2019	–	–	–
Gross carrying amount	352	4,858	5,210
Accumulated amortisation	–	(1,630)	(1,630)
Carrying amount at start of period	352	3,228	3,580
Additions	203	321	524
Transfer to computer software	(321)	–	(321)
Amortisation expense	–	(1,545)	(1,545)
Carrying amount at 30 June 2020	234	2,004	2,238

Initial recognition

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:

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

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the statement of comprehensive income.

Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

5.3(a) Amortisation and impairment

Table 39: Amortisation and impairment

Charge for the period	2020 \$000	2019 \$000
Computer software	1,545	1,630
Total amortisation for the period	1,545	1,630

As at 30 June 2020 there were no indications of impairment to intangible assets.

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 were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight-line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Commission have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful life of the Commission's intangible asset is:

- software(a) 5 years.

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

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 5.1(a).

6. Other assets and liabilities

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

Table 40: Other assets and liabilities

Other assets and liabilities	Notes	2020 \$000	2019 \$000
Receivables	6.1	48,975	28,188
Amounts receivable for services	6.2	72,366	64,695
Other assets	6.3	13,318	14,521
Payables	6.4	(124,463)	(31,581)
Other provision	6.5	(812)	–

6.1 Receivables

Table 41: Receivables

Receivables	2020 \$000	2019 \$000
Current	–	–
Trade receivables	47,876	26,026
Allowance for impairment of trade receivables	(380)	(122)
Accrued revenue	161	145
GST receivable	1,318	2,139
Total current	48,975	28,188
Total receivables	48,975	28,188

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

Due to the COVID-19 pandemic, disability sector organisations have been assessed before being provided extended receivable payment days due on 30 June 2021. The Commission has been in negotiation to bring these settlements forward. The Commission does not consider these disability sector organisation's receivables to be impaired or any of the disability sector organisations having going concern issues.

6.1(a) Movement in the allowance for impairment of trade receivables

Table 42: Movement in the allowance for impairment of trade receivables

Movement in the allowance for impairment of trade receivables	2020 \$000	2019 \$000
Reconciliation of changes in the allowance for impairment of trade receivables	–	–
Opening balance	122	97
Expected credit losses expense	368	25
Amounts written off during the period	(110)	–
Balance at end of period	380	122

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at note 8.1(c) 'Credit risk exposure'.

Expected credit losses are a probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant timeframe that debtors are not settled. They are determined by evaluating a range of possible outcomes and taking into account the time value of money, past events, current conditions and forecasts of future economic conditions mainly for the disability sector organisations and other customers.

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

6.2 Amounts receivable for services (holding account)

Table 43: Amounts receivable for services (holding account)

Amounts receivable for services (holding account)	2020 \$000	2019 \$000
Non-current	72,366	64,695
Balance at end of period	72,366	64,695

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

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

6.3 Other assets

Table 44: Other assets

Other assets	2020 \$000	2019 \$000
Current	–	–
Prepayments	13,310	14,521
Total current	13,310	14,521
Non-current	–	–
Prepayments	8	–
Total non-current	8	–
Balance at end of period	13,318	14,521

Other non-financial assets include prepayments, which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

6.4 Payables

Table 45: Payables

Payables	2020 \$000	2019 \$000
Current	–	–
Trade payables	8,965	1,111
Accrued expenses	114,194	29,794
Accrued salaries	1,304	676
Balance at end of period	124,463	31,581

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

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

The accrued salaries suspense account (See Note 7.3(a) ‘Restricted cash and cash equivalents’) consists of amounts paid annually, from Commission appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

6.5 Other provision

Table 46: Other provision

Other provision	2020 \$000	2019 \$000
Current	–	–
Restoration provision	267	–
Total current	267	–
Non-current	–	–
Restoration provision	545	–
Total non-current	545	–
Balance at end of period	812	–

Make good (restoration) provision

Some leased premises are required to be restored to their original condition at the end of their respective lease terms. A provision needs to be recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs are capitalised as part of the cost of leasehold improvements or right-of-use assets and are amortised over the shorter of the lease term and the useful life of the assets.

7. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Commission.

Notes

Lease liabilities	7.1
Finance costs	7.2
Cash and cash equivalents	7.3
Reconciliation of cash	7.3(a)
Reconciliation of operating activities	7.3(b)

7.1 Lease liabilities

Table 47: Lease liabilities

Lease liabilities	2020 \$000	2019 \$000
Current	967	–
Non-current	1,905	–
Total lease liabilities	2,872	–

The Commission measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Commission uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Commission as part of the present value calculation of lease liability include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of purchase options (where these are reasonably certain to be exercised)
- payments for penalties for terminating a lease, where the lease term reflects the Commission exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the Commission if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the Commission in profit or loss in the period in which the condition that triggers those payment occurs.

This section should be read in conjunction with note 5.2.

Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

7.2 Finance costs

Table 48: Finance costs

Finance costs	2020 \$000	2019 \$000
Finance costs	–	–
Lease interest expense	89	–
Finance costs expensed	89	–

Finance cost includes the interest component of lease liability repayments.

From 1 July 2019, lease interest expense in respect of lease liabilities recognised in accordance with AASB 16 'Leases'.

7.3 Cash and cash equivalents

7.3(a) Reconciliation of cash

Table 49: Reconciliation of cash

Reconciliation of cash	Note	2020 \$000	2019 \$000
Cash and cash equivalents	–	199,394	101,795
Restricted cash and cash equivalents	8.1	–	–
– 27th pay provision(a)	–	2,350	1,729
– Other	–	400	912
Balance at end of period	–	202,144	104,436

(a) Funds held in account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

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.

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

Table 50: Reconciliation of net cost of services to net cash flows used in operating activities

Reconciliation of net cost of services to net cash flows used in operating activities	Notes	2020 \$000	2019 \$000
Net cost of services	–	(948,123)	(944,869)
Non-cash items	–	–	–
Depreciation and amortisation expense	5.1(a),5.2,5.3(a)	6,613	5,326
Expected credit losses expense	3.3	368	25
Services received free of charge	4.1	5,253	5,019
Net loss on disposal of non-current assets	4.5	199	389
(Increase)/decrease in assets	–	–	–
Current receivables ^(a)	–	(21,912)	1,205
Other current assets	–	1,203	(103)
Increase/(decrease) in liabilities	–	–	–
Current payables ^(a)	–	92,882	23,025
Current provisions	–	(1,096)	104
Non-current provisions	–	82	(47)
Change in GST in receivables/payables ^(b)	–	821	888
Net cash used in operating activities	–	(863,710)	(909,038)

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

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

8. Risks and contingencies

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

Notes:

Financial risk management	8.1
Contingent assets and liabilities	8.2
Fair value measurements	8.3

8.1 Financial risk management

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

(a) Summary of risks and risk management

Credit risk

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

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts receivable for services (holding account).

For receivables other than Government, the Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. Debt will be written off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due. The Commission is exposed to liquidity risk through its trading in the normal course of business.

The Commission has appropriate procedures to manage cash flows including drawdown 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.

The Commission is not exposed to interest rate risk because the cash and cash equivalents and restricted cash are non-interest bearing and it has no borrowings.

(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:

Table 51: Categories of financial instruments

Categories of financial instruments	2020 \$000	2019 \$000
Financial assets	–	–
Cash and cash equivalents	202,144	104,436
Financial assets at amortised cost(a)	120,023	90,744
Total financial assets	322,167	195,180
Financial liabilities	–	–
Financial liabilities at amortised cost	127,335	31,581
Total financial liabilities	127,335	31,581

(a) The amount of financial assets at amortised cost excludes GST recoverable from the Australian Taxation Office (statutory receivable).

(c) Credit risk exposure

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

Table 52: Credit risk exposure

Credit risk exposure	Days Past Due					
	Total \$000	Current \$000	<30 days \$000	31-60 days \$000	61-90 days \$000	>91 days \$000
30 June 2020	-	-	-	-	-	-
Expected credit loss rate	-	0.05%	0.99%	1.62%	2.99%	2.88%
Estimated total gross carrying amount at default	48,037	35,065	708	185	4,587	7,492
Expected credit losses	(380)	(17)	(7)	(3)	(137)	(216)
30 June 2019	-	-	-	-	-	-
Expected credit loss rate	-	0.04%	0.81%	1.73%	11.11%	4.67%
Estimated total gross carrying amount at default	26,171	21,757	1,105	1,738	9	1,562
Expected credit losses	(122)	(9)	(9)	(30)	(1)	(73)

(d) Liquidity risk and interest rate exposure

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

Table 53: Interest rate exposure and maturity analysis of financial assets and financial liabilities

Interest rate exposure and maturity analysis	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure fixed interest rate \$000	Interest rate exposure variable interest rate \$000	Interest rate exposure non-interest bearing \$000	Nominal amount \$000	Maturity dates up to 1 month \$000	Maturity dates 1-3 months \$000	Maturity dates 3 months to 1 year \$000	Maturity dates 1-5 years \$000	Maturity dates more than 5 years \$000
2020 financial assets	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	199,394	-	-	199,394	199,394	199,394	-	-	-	-
Restricted cash and cash equivalents	-	2,750	-	-	2,750	2,750	400	-	-	-	2,350
Receivables ^(a)	-	47,657	-	-	47,657	47,657	47,657	-	-	-	-
Amounts receivable for services	-	72,366	-	-	72,366	72,366	-	-	-	-	72,366
-	-	322,167	-	-	322,167	322,167	247,451	-	-	-	74,716
2020 financial liabilities	-	-	-	-	-	-	-	-	-	-	-
Payables	-	124,463	-	-	124,463	124,463	124,463	-	-	-	-
Lease liabilities ^(b)	2.58	2,872	2,872	-	-	3,017	97	193	748	1,956	23
-	-	127,335	2,872	-	124,463	127,480	124,560	193	748	1,956	23

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

(b) The amount of lease liabilities includes \$0.087 million from leased buildings and \$2.785 million (2019: \$nil) from leased vehicles.

(d) Liquidity risk and interest rate exposure (continued).

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

Table 54: Interest rate exposure and maturity analysis of financial assets and financial liabilities

Interest rate exposure and maturity analysis	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure fixed interest rate \$000	Interest rate exposure variable interest rate \$000	Interest rate exposure non-interest bearing \$000	Nominal amount \$000	Maturity dates up to 1 month \$000	Maturity dates 1-3 months \$000	Maturity dates 3 months to 1 year \$000	Maturity dates 1-5 years \$000	Maturity dates more than 5 years \$000
2019 financial assets	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	101,795	-	-	101,795	101,795	101,795	-	-	-	-
Restricted cash and cash equivalents	-	2,641	-	-	2,641	2,641	912	-	-	-	1,729
Receivables (a)	-	26,049	-	-	26,049	26,049	26,049	-	-	-	-
Amounts receivable for services	-	64,695	-	-	64,695	64,695	-	-	-	-	64,695
-	-	195,180	-	-	195,180	195,180	128,756	-	-	-	66,424
2019 financial liabilities	-	-	-	-	-	-	-	-	-	-	-
Payables	-	31,581	-	-	31,581	31,581	31,581	-	-	-	-

-	31,581	-	-	-	31,581	-	-	-	-
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(a) The amount of receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable).

8.2 Contingent assets and liabilities

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

The Commission has neither contingent assets nor contingent liabilities.

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.

8.3 Fair value measurements

Table 55: Fair value measurements 2020

Assets measured at fair value:	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair value at end of period \$000
Land (note 5.1)	–	12,516	5,240	17,756
Buildings (note 5.1)	–	931	7,628	8,559
–	–	13,447	12,868	26,315

Table 56: Fair value measurements 2019

Assets measured at fair value:	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair Value At end of period \$000
Land (note 5.1)	–	12,483	5,281	17,764
Buildings (note 5.1)	–	873	7,881	8,754
–	–	13,356	13,162	26,518

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

Valuation techniques to derive level 2 fair values

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

Fair value measurements using significant unobservable inputs (Level 3)

Table 57: Fair value measurements 2020

Asset measured at Fair Value	Land \$000	Buildings \$000
Fair value at start of period	5,281	7,881
Additions	–	6
Revaluation decrements recognised in other comprehensive income	(41)	(8)
Depreciation expense	–	(251)
Fair value at end of period	5,240	7,628
Total gains or losses for the period included in profit or loss, under 'other gains'	–	–

Table 58: Fair value measurements 2019

Asset measured at Fair Value	Land \$000	Buildings \$000
Fair value at the start of the period	5,161	8,139
Additions	–	76
Revaluation increments/(decrements) recognised in other comprehensive income	120	(81)
Disposals	–	(2)
Depreciation expense	–	(251)
Fair value at end of period	5,281	7,881
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 is selected by the Western Australian Land Information Authority (Valuations and Property Analytics) and represents the application of a significant level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Buildings (level 3 fair values)

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

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

Basis of valuation

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

9. Other disclosures

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

Notes

Events occurring after the end of the reporting period	9.1
Initial application of Australian Accounting Standards	9.2
Future impact of Australian Accounting Standards not yet operative	9.3
Key management personnel	9.4
Related party transactions	9.5
Related bodies	9.6
Affiliated bodies	9.7
Indian Ocean Territories	9.8
Remuneration of auditors	9.9
Equity	9.10
Supplementary financial information	9.11
Explanatory statement	9.12

9.1 Events occurring after the end of the reporting period

The Commission is not aware of any event occurring after the end of the reporting period that have significant financial effect on the financial statements.

9.2 Initial application of Australian Accounting Standards

(a) AASB 15 Revenue from contract with customers and AASB 1058 Income of not-for-profit entities

AASB 15 Revenue from contracts with customers replaces AASB 118 Revenue and AASB 111 Construction contracts for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- identifying contracts with customers
- identifying separate performance obligations
- determining the transaction price of the contract
- allocating the transaction price to each of the performance obligations
- recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 Income of not-for-profit entities. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash or another asset) recognised by the Commission.

The Commission adopts the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information is restated under this approach, and the Commission recognises the cumulative effect of initially applying the standards as adjustments to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 July 2019).

Under this transition method, the Commission applies the standards retrospectively only to contracts and transactions that are not completed at the date of initial application.

Refer to notes 4.1, 4.2, 4.3 and 4.4 for the revenue and income accounting policies adopted from 1 July 2019. The effect of adopting AASB 15 and AASB 1058 was assessed as not material, and therefore no adjustment was required to be recognized directly in opening balance of accumulated surplus.

(b) AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases and related interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

The Commission applies AASB 16 Leases from 1 July 2019 using the modified retrospective approach. As permitted under the specific transition provisions, comparatives are not restated. The cumulative effect of initially applying this standard is recognised as an adjustment to the opening balance of accumulated surplus/(deficit).

The main changes introduced by this standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the statement of financial position as right-of-use assets and lease liabilities, except for short-term leases (lease terms of 12 months or less at commencement date) and low-value assets (where the underlying asset is valued less than \$5,000). The operating lease and finance lease distinction for lessees no longer exists.

Under AASB 16, the Commission takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- a) right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate (2.5%) on 1 July 2019

- b) depreciation of right-of-use assets and interest on lease liabilities in the statement of comprehensive income
- c) the total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the statement of cash flows.

In relation to leased vehicles that were previously classified as finance leases, their carrying amount before transition is used as the carrying amount of the right-of-use assets and the lease liabilities as of 1 July 2019.

The Commission measures concessionary leases that are of low value terms and conditions at cost at inception. There is no financial impact as the Commission is not in possession of any concessionary leases at the date of transition.

The right-of-use assets are assessed for impairment at the date of transition and has not identified any impairments to its right-of-use assets.

On transition, the Commission has elected to apply the following practical expedients in the assessment of their leases that were previously classified as operating leases under AASB 117:

- a) a single discount rate has been applied to a portfolio of leases with reasonably similar characteristics
- b) the Commission has relied on its assessment of whether existing leases were onerous in applying AASB 137 Provisions, contingent liabilities and contingent assets immediately before the date of initial application as an alternative to performing an impairment review. The Commission has adjusted the right-of-use asset at 1 July 2019 by the amount of any provisions included for onerous leases recognised in the statement of financial position at 30 June 2019
- c) where the lease term at initial application ended within 12 months, the Commission has accounted for these as short-term leases
- d) initial direct costs have been excluded from the measurement of the right-of-use asset
- e) hindsight has been used to determine if the contracts contained options to extend or terminate the lease.

The Commission has not reassessed whether existing contracts are, or contained a lease at 1 July 2019. The requirements of paragraphs 9–11 of AASB 16 are applied to contracts that came into existence post-1 July 2019.

c. Measurement of lease liabilities

Table 59: Measurement of lease liabilities

Measurement of lease liabilities	\$000
Operating lease commitments disclosed as at 30 June 2019(a)	4,136
Operating lease commitments previously not disclosed	96
Discounted using incremental borrowing rate at date of initial application(b)	4,023
Add:	–
Finance lease liabilities recognised as at 30 June 2019	–
Less:	–
Short-term leases not recognised as liabilities	–
Low value leases not recognised as liabilities	–
Lease liabilities recognised at 1 July 2019	4,023
Current lease liabilities	1,168
Non-current lease liabilities	2,855

(a) Exclude commitments for government office accommodation properties. The lease arrangements for government office accommodation properties are now out of scope of AASB16.

(b) The Western Australia Treasury Corporation incremental borrowing rate was used for the purposes of calculating the lease transition opening balance.

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

AASB 1059 Service concession arrangements: grantors

This standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector entity 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 does not manage any public private partnership that is within the scope of the standard.

There is no financial impact.

Operative for reporting periods beginning on/after 1 January 2020.

AASB 2018–6 Amendments to Australian Accounting Standards – definition of a business

The standard amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

There is no financial impact.

Operative for reporting periods beginning on/after 1 January 2020.

AASB 2018–7 Amendments to Australian Accounting Standards – definition of material

The standard principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

There is no financial impact.

Operative for reporting periods beginning on/after 1 January 2020.

AASB 2019–1 Amendments to Australian Accounting Standards – references to the conceptual framework

This standard sets out amendments to Australian Accounting Standards, interpretations and other pronouncements to reflect the issuance of the Conceptual framework for financial reporting (conceptual framework) by the AASB.

There is no financial impact.

Operative for reporting periods beginning on/after 1 January 2020.

AASB 2019–2 Amendments to Australian Accounting Standards – implementation of AASB 1059

This standard makes amendments to AASB 16 and AASB 1059 to: (a) amend the modified retrospective method set out in paragraph C4 of AASB 1059, (b) modify AASB 16 to provide a practical expedient to grantors of service concession arrangements so that AASB 16 would not need to be applied to assets that would be recognised as service concession assets under AASB 1059, and (c) include editorial amendments to the application guidance and implementation guidance accompanying AASB 1059.

The Commission does not maintain any public private partnership that is within the scope of the standard.

There is no financial impact.

Operative for reporting periods beginning on/after 1 January 2020.

AASB 2020–1 Amendments to Australian Accounting Standards – classification of liabilities as current or non-current

This standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

There is no financial impact.

Operative for reporting periods beginning on/after 1 January 2022.

9.4 Key management personnel

The Commission has determined key management personnel to include Cabinet Ministers, members of the accountable authority and other senior officers of the Commission. The Commission does not incur expenditures to compensate Ministers and those disclosures may be found in the annual report on State finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for 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

Table 60: Compensation band

Compensation band (\$)	2020	2019
40,001 – 50,000	1	1
20,001 - 30,000	1	–
10,001 – 20,000	1	3
0 – 10,000	7	9
Total	10	13

Table 61: Compensation of other senior officers (a)

Compensation band (\$)	2020	2019
200,001 – 210,000	1	1

Table 62: Compensation of key management personnel

Compensation of key management personnel	2020 \$000	2019 \$000
Short-term employee benefits	289	293
Post-employment benefits	29	29
Other long-term benefits	21	21
Total compensation of key management personnel	339	343

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

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

9.5 Related party transactions

The Commission is a wholly owned public sector entity that is controlled by of the State of Western Australia. Related parties of the Commission include:

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

Significant transactions with government-related entities

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

Table 63: Significant transactions with government-related entities

Significant transactions with government-related entities	Notes	2020 \$000	2019 \$000
Employee benefits expenses	3.1(a)	–	–
Department of Premier and Cabinet	–	106	–
Department of Transport	–	169	–
Housing Authority	–	2,797	–
Supplies and services	3.3	–	–
Department of Communities	–	493	6,574
Department of Finance	–	93	1,368
Department of Social Services	–	–	480
Department of Transport	–	–	185
Housing Authority	–	5,199	–
Accommodation expenses	3.3	–	–
Department of Communities	–	190	–
Department of Finance	–	5,162	5,308
Housing Authority	–	–	451
Expenses for services	3.2	–	–
Department of Communities	–	1,581	–
Department of Training and Workforce Development	–	5,331	–
East Metropolitan Health Services	–	815	1,358
North Metropolitan Health Services	–	1,133	1,416
South Metropolitan Health Services	–	661	1,102
WA Country Health Services	–	1,274	2,124

Income from State Government	4.1	–	–
Receivables	6.1	–	–
Department of Communities	–	934	95
Department of Health	–	578	–
Department of Justice	–	155	108
Department of Local Government, Sport and Cultural Industries	–	70	–
Department of Premier and Cabinet	–	236	–
Housing Authority	–	257	–
Riskcover	–	737	847
Other current assets	6.3	–	–
Housing Authority	–	13,000	13,000
Payables	6.4	–	–
Department of Finance	–	166	–
Housing Authority	–	7,968	–
Lease liabilities	7.1	–	–
Department of Finance	–	2,785	–
Housing Authority	–	87	–
Equity contribution	9.10	–	–

Lease rental payments to the Department of Finance (government office accommodation and State Fleet) and the Housing Authority (Government Regional Officer Housing) (note 3.3) and related outstanding balances (note 6.4).

Insurance payments to the Insurance Commission and RiskCover fund (note 3.3).

Remuneration for services provided by the Auditor General (note 9.9).

Material transactions with other 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:

- \$37.9 million (2019: \$48.4 million) and \$0.1 million (2019: \$0.5 million) to Ability Centre and WA Disabled Sports Association, respectively. Both entities are related parties of Board Member Priya Cooper. Also, Ability Centre is a related party of Board Member Melissa Northcott.
- \$11.8 million (2019: \$32.2 million) to Avivo, which is a related party of Board Member Gabrielle Trenbath.
- \$nil (2019: \$0.1 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 3.1(a)) – \$8.8 million (2019: \$6.7 million).

9.6 Related bodies

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

9.7 Affiliated bodies

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

Table 64: Affiliated bodies

Name of organisation	2020 \$000	2019 \$000
Ability Centre Australasia Ltd (a)	–	48,354
Accessibility WA Inc	1,025	2,967
Access to Leisure and Sport	875	1,159
Anderson Neurological Developmental Services Pty Ltd	391	2,231
Ashton Horsley (a)	–	352
Australian Red Cross Society (Lady Lawley Cottage) (b)	4,685	–
Autism Association of WA Inc (a)	–	42,996

Name of organisation	2020 \$000	2019 \$000
Benjamin Dainton (a)	–	180
BGSR Pty Ltd Supported Accommodation Services	6,936	10,019
Cam Can & Associates Pty Ltd ATF the Lema Family Trust (a)	–	19,368
Community Living Association Inc	7,462	11,596
Crosslinks Inc (a)	–	4,515
Developmental Disability Council of Western Australia Inc (a)	–	570
Directions Disability Support Services Inc (a)	–	4,228
Diversity South Inc (a)	–	557
Down's Syndrome Association of WA Inc (a)	–	231
Ease WA Pty Ltd (a)	–	547
Elba Inc	1,470	4,292
Empowering People In Communities (EPIC) Inc	883	5,822
Enable Southwest Inc (a)	–	19,740
Ethnic Disability Advocacy Centre	1,164	1,136
Explorability Inc	1,527	896
Family Support WA Inc	718	3,374
Far North Community Services Ltd (a)	–	6,488
Felicity Jane Adams ATF the Adams -Grono Family Trust	26	469
Focused Supports Pty Ltd (b)	687	–
Goldfields Individual and Family Support Association Inc	4,112	6,157
Identitywa	20,324	27,002
Ignite Community Network Pty Ltd (b)	1,365	–
Inclusion WA Inc	1,675	3,059
Interchange Inc	3,152	10,133
ISADD WA Pty Ltd	821	1,171
Kids are Kids! Therapy and Education Centre Inc (a)	–	1,617
Kira Inc	1,542	2,561
Lifepan Recreation & Leisure Association Inc	1,684	2,697
Midway Community Care (a)	–	6,543
Midwest Community Living Association Inc	2,688	3,466

Name of organisation	2020 \$000	2019 \$000
Mosaic Community Care Inc (a)	–	10,169
My Place WA Ltd	–	39,447
My Way Community Alliance Inc (b)	608	–
Nascha Inc	2,098	2,677
Next Challenge Enterprises Pty Ltd (a)	–	378
Nulsen Haven Association Inc	29,934	37,343
One 2 One Pty Ltd	1,907	3,981
Orion Services WA Pty Ltd (a)	–	4,770
Peel Home & Community Support Inc (a)	–	686
People Actively Committed Together PACT Inc	630	615
People With Disabilities (WA) Inc	1,646	1,599
Phylos Inc	613	936
Potential Occupational Therapy for Children ATF The Rogan Family Trust (a)	–	458
Rocky Bay Ltd (a)	–	55,390
Senses Australia (a)	–	16,395
Sexuality Education Counselling & Consultancy Agency Inc	431	562
Small and Up Pty Ltd (a)	–	2,381
South Metropolitan Personnel Inc	834	3,345
Teem Treasure Pty Ltd	3,789	5,540
Therapy Focus Inc (a)	–	24,067
Valued Lives Foundation Inc	1,125	3,075
Vemvane Inc	809	1,047
WA Blue Sky Inc	1,770	3,294
West Australian Sleep Disorders Research Institute Inc (b)	298	–
Wize Therapy Pty Ltd	3,515	4,318

(a) Not an affiliated body in 2020.

(b) Not an affiliated body in 2019.

9.8 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.

Table 65: Indian Ocean Territories

Indian Ocean Territories	2020 \$000	2019 \$000
Balance at start of period	56	80
Receipts from Commonwealth	89	81
Payments	(96)	(105)
Balance at end of period	49	56

9.9 Remuneration of auditors

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

Table 66: Remuneration of auditors

Remuneration of auditors	2020 \$000	2019 \$000
Auditing the accounts, financial statements, controls, and key performance indicators	194	144

9.10 Equity

Table 67: Equity

Equity	2020 \$000	2019 \$000
Contributed equity	–	–
Balance at start of period	53,735	53,735
Contributions by owners	–	–
Capital appropriation	1,346	–
Total contributions by owners	1,346	–
Balance at end of period	55,081	53,735
Asset revaluation surplus	–	–
Balance at start of period	41,287	41,140
Net revaluation increments/(decrements)	–	–
Land	(8)	328
Buildings	78	(181)
Balance at end of period	41,357	41,287

9.11 Supplementary financial information

(a) Write-offs

Debts due to the State written off during the financial year.

Table 68: Write-offs

Debts due to the state written off during the financial year	2020 \$000	2019 \$000
The accountable authority	110	–
Total	110	–

(b) Losses through theft, defaults and other causes

There were no losses through theft, defaults and other causes during the year (2019: \$nil).

(c) Gifts of public property

There were no gifts of public property provided by the Commission during the year (2019: \$nil).

9.12 Explanatory statement

All variances between annual estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are greater than 10% and \$1 million for the statements of comprehensive income, cash flows, and the statement of financial position.

(a) Statement of comprehensive income variances

Table 69: Statement of comprehensive income variances

Statement of comprehensive income variances	Variance notes	Estimate 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Variance between estimate and actual \$000	Variance between actual results for 2020 and 2019 \$000
Expenses	-	-	-	-	-	-
Employee benefits expenses	1	164,956	131,613	125,500	(33,343)	6,113
Supplies and services	a	26,199	24,705	20,725	(1,494)	3,980
Depreciation and amortisation expense	2, b	11,097	6,613	5,326	(4,484)	1,287
Finance costs	-	649	89	-	(560)	89
Accommodation expenses	3	2,361	6,823	7,506	4,462	(683)
Expense for services	-	1,119,311	1,054,012	1,097,610	(65,299)	(43,598)
Loss on disposal of non-current assets	-	-	199	389	199	(190)
Other expenses	-	3,420	3,575	3,404	155	171
Total cost of services	-	1,327,993	1,227,629	1,260,460	(100,364)	(32,831)

Statement of comprehensive income variances	Variance notes	Estimate 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Variance between estimate and actual \$000	Variance between actual results for 2020 and 2019 \$000
Income - revenue	-	-	-	-	-	-
User charges and fees	4, c	59,024	21,501	13,632	(37,523)	7,869
Commonwealth grants and contributions	d	235,169	237,999	274,131	2,830	(36,132)
Other revenue	5, e	11,532	20,006	27,828	8,474	(7,822)
Total revenue	-	305,725	279,506	315,591	(26,219)	(36,085)
Total income other than income from State Government	-	305,725	279,506	315,591	(26,219)	(36,085)
Net cost of services	-	1,022,268	948,123	944,869	(74,145)	3,254
Income from State Government	-	-	-	-	-	-
Service appropriation	-	1,016,341	969,490	921,863	(46,851)	47,627
Services received free of charge	-	6,076	5,253	5,019	(823)	234
Royalties for Regions fund	-	65	64	65	(1)	(1)
Total income from State Government	-	1,022,482	974,807	926,947	(47,675)	47,860
Surplus/(deficit) for the period	-	214	26,684	(17,922)	26,470	44,606

Statement of comprehensive income variances	Variance notes	Estimate 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Variance between estimate and actual \$000	Variance between actual results for 2020 and 2019 \$000
Other comprehensive income items not reclassified subsequently to profit or loss	-	-	-	-	-	-
Changes in asset revaluation surplus	-	-	70	147	70	(77)
Total other comprehensive income	-	-	70	147	70	(77)
Total comprehensive income for the period	-	214	26,754	(17,775)	26,540	44,529

(b) Statement of financial position variances

Table 70: Statement of financial position variances

Statement of financial position variances	Variance notes	Estimate 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Variance between estimate and actual \$000	Variance between actual results for 2020 and 2019 \$000
Assets - current	-	-	-	-	-	-
Cash and cash equivalents	-	95,471	199,394	101,795	103,923	97,599
Restricted cash and cash equivalents	-	2,189	400	912	(1,789)	(512)
Receivables	-	30,306	48,975	28,188	18,669	20,787
Other current assets	6	2,418	13,310	14,521	10,892	(1,211)
Total current assets	-	130,384	262,079	145,416	131,695	116,663
Assets - non-current	-	-	-	-	-	-
Restricted cash and cash equivalents	-	3,160	2,350	1,729	(810)	621
Amounts receivable for services	-	75,792	72,366	64,695	(3,426)	7,671
Property, plant and equipment	7	34,830	29,925	32,740	(4,905)	(2,815)
Right-of-use assets	8, f	13,545	2,846	-	(10,699)	2,846
Intangible assets	9, g	759	2,238	3,580	1,479	(1,342)
Other non-current assets	-	-	8	-	8	8
Total non-current assets	-	128,086	109,733	102,744	(18,353)	6,989
Total assets	-	258,470	371,812	248,160	113,342	123,652

Statement of financial position variances	Variance notes	Estimate 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Variance between estimate and actual \$000	Variance between actual results for 2020 and 2019 \$000
Liabilities - current liabilities	-	-	-	-	-	-
Payables	-	4,600	124,463	31,581	119,863	92,882
Lease liabilities	-	-	967	-	967	967
Employee related provisions	-	13,787	12,707	13,803	(1,080)	(1,096)
Other provision	-	-	267	-	267	267
Total current liabilities	-	18,387	138,404	45,384	120,017	93,020
Liabilities - non-current liabilities	-	-	-	-	-	-
Lease liabilities	10, h	13,834	1,905	-	(11,929)	1,905
Employee related provisions	-	942	977	895	35	82
Other provision	-	-	545	-	545	545
Total non-current liabilities	-	14,776	3,427	895	(11,349)	2,532
Total liabilities	-	33,163	141,831	46,279	108,668	95,552
Net assets	-	225,307	229,981	201,881	4,674	28,100
Equity	-	-	-	-	-	-
Contributed equity	-	58,262	55,081	53,735	(3,181)	1,346
Reserves	-	41,139	41,357	41,287	218	70
Accumulated surplus	-	125,906	133,543	106,859	7,637	26,684
Total equity	-	225,307	229,981	201,881	4,674	28,100

(c) Statement of cash flows variances

Table 71: Statement of cash flows variances

Statement of cash flows variances	Variance notes	Estimate 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Variance between estimate and actual \$000	Variance between actual results for 2020 and 2019 \$000
Cash flows from State Government	-	-	-	-	-	-
Service appropriation	-	1,005,244	961,819	915,581	(43,425)	46,238
Capital appropriation	11, i	4,526	1,346	-	(3,180)	1,346
Holding account drawdown	-	-	-	205	-	(205)
Royalties for Regions fund	-	65	-	65	(65)	(65)
Net cash provided by State Government	-	1,009,835	963,165	915,851	(46,670)	47,314
Cash flows from operating activities -payments	-	-	-	-	-	-
Employee benefits	12	(164,291)	(129,407)	(125,358)	34,884	(4,049)
Supplies and services	13, j	(25,949)	(23,303)	(33,318)	2,646	10,015
Finance costs	-	(649)	(89)	-	560	(89)
Expense for services	14	(1,119,311)	(969,621)	(1,068,169)	149,690	98,548
GST payments on purchases	15, k	(23,252)	(42,019)	(79,031)	(18,767)	37,012
GST payments to taxation authority	16	(503)	(4,412)	(5,058)	(3,909)	646

Statement of cash flows variances	Variance notes	Estimate 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Variance between estimate and actual \$000	Variance between actual results for 2020 and 2019 \$000
Cash flows from operating activities - receipts	-	-	-	-	-	-
User charges and fees	17, l	59,024	21,067	13,685	(37,957)	7,382
Commonwealth grants and contributions	18, m	235,169	204,688	287,965	(30,481)	(83,277)
GST receipts on sales	19, n	466	2,603	5,505	2,137	(2,902)
GST receipts from taxation authority	20, o	23,289	44,649	79,472	21,360	(34,823)
Other receipts	21, p	11,478	32,134	15,269	20,656	16,865
Net cash used in operating activities	-	(1,004,529)	(863,710)	(909,038)	140,819	45,328
Cash flows from investing activities - payments	-	-	-	-	-	-
Purchase of non-current assets	-	-	(423)	(744)	(423)	321
Cash flows from investing activities - receipts	-	-	-	-	-	-
Proceeds from sale of non-current assets	-	-	-	9	-	(9)
Cash flows from investing activities	-	-	(423)	(735)	(423)	312

Statement of cash flows variances	Variance notes	Estimate 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Variance between estimate and actual \$000	Variance between actual results for 2020 and 2019 \$000
Cash flows from financing activities - payments	-	-	-	-	-	-
Principal elements of lease payments	22, q	(4,526)	(1,324)	-	3,202	(1,324)
Net cash used in financing activities	-	(4,526)	(1,324)	-	3,202	(1,324)
Net increase in cash and cash equivalents	-	780	97,708	6,078	96,928	91,630
Cash and cash equivalents at the beginning of the period	-	100,040	104,436	98,358	4,396	6,078
Cash and cash equivalents at the end of the period	-	100,820	202,144	104,436	101,324	97,708

Major estimate and actual (2020) variance narratives

- 1) Employee benefits expenses were lower than budget by \$33.3 million (20.2%) primarily due to the decision by the State Government to transition to a nationally delivered National Disability Insurance Scheme (NDIS) in Western Australia (WA). As a result, additional local coordinators budgeted for were not recruited in 2019–20 by the Commission. Furthermore, the underspend is due to the impact of the Voluntary Targeted Separation Scheme (VTSS).
- 2) Depreciation and amortisation expense were lower than budget by \$4.5 million (40.4%) as a result of the adoption of AASB 16 leases accounting treatment in relation to agencies which have a Memorandum of Understanding (MOU) arrangement with the Department of Finance, for government office accommodation properties, which was later revised. The revised accounting treatment means that government office accommodation inter-agency MOU arrangements are now out of scope of AASB 16.
- 3) Accommodation expenses which were higher than budget by \$4.5 million (189.0%) due to change in the accounting treatment for government office accommodation property leases which are now expensed as incurred. Also, refer to explanation above in point 2.
- 4) User charges and fees were lower than budget by \$37.5 million (63.6%) as a result of the delays by the NDIA in transitioning the Commission's accommodation provided services into the NDIS in Western Australia, impacting on the recoup of Commission-provided services to the NDIA.
- 5) Other revenue was higher than budget by \$8.5 million (73.5%) mainly due to the recoup from disability sector organisations for under-delivered services in line with the service agreement compliance and reconciliation guidelines in 2018–19.
- 6) Other current assets were higher than budget by \$10.9 million (450.5%) mainly due to the advance payment made to the Housing Authority for group homes redevelopment yet to be constructed.
- 7) Property, plant and equipment was lower than budget by \$4.9 million (14.1%) mainly due to less additions and higher than the budget for disposal of leasehold improvements due to transition of services to NDIS in WA.
- 8) Right-of-use assets were lower than budget by \$10.7 million (79.0%). Refer to point 2.
- 9) Intangible assets were higher than budget by \$1.5 million (194.9%) mainly due to the additions in 2018–19 brought forward in the current year but not included in the budget.
- 10) Non-current lease liabilities were lower than budget by \$11.9 million (86.2%). Refer to point 2.
- 11) Capital appropriation was lower than budget by \$3.2 million (70.3%) as a result of the revised AASB 16 accounting treatment of government office accommodation properties. Refer to point 2.

- 12) Employee benefits payments were lower than budget by \$34.9 million (21.2%). Refer to point 1.
- 13) Supplies and services expenses were lower than budget by \$2.6 million (10.2%) mainly due to savings from the transition to the Commonwealth-administered NDIS in Western Australia, resulting in a reduced need for various services, including communication and consumables expenses.
- 14) Expense for services payments were lower than budget by \$149.7 million (13.4%) due to timing and payments in 2019–20 for NDIS-related services including the NDIA June invoice, Continuity of Support Programme and pay equity for social and community sector, represented as paid in the budget.
- 15) GST payments on purchases were higher than budget by \$18.8 million (80.7%) due to the increase in payment for services provided by funded agencies as a result of current delays by the NDIA in transitioning State clients into the NDIS in Western Australia.
- 16) GST payments to taxation authority were higher than budget by \$3.9 million (777.1%) due to the recoup from disability sector organisations for under-delivered services in 2018–19.
- 17) User charges and fees were lower than budget by \$38.0 million (64.3%). Refer to point 4.
- 18) Commonwealth grants and contributions were lower than budget by \$30.5 million (13.0%) due to the transition of State clients to the Commonwealth-administered NDIS. The Commonwealth redirects funding to the NDIA for this purpose.
- 19) GST receipts on sales were higher than budget by \$2.1 million (458.6%). Refer to point 16.
- 20) GST receipts from taxation authority were higher than budget by \$21.4 million (91.7%). Refer to point 15.
- 21) Other receipts were higher than budget by \$20.7 million (180.0%). Refer to point 5.
- 22) Principal elements of lease payments were lower than budget by \$3.2 million (70.8%). Refer to point 2.

Major actual (2020) and comparative (2019) variance narratives

- a) Supplies and services expenses increased by \$4.0 million (19.2%) mainly due to the reallocation of the Commission's information technology related overhead costs amongst the three entities at the Department of Communities.
- b) Depreciation and amortisation expenses increased by \$1.3 million (24.2%) due to a change in accounting treatment for the initial adoption of AASB 16 Leases.
- c) User charges and fees increased by \$7.9 million (57.7%) due to the increase of accommodation provided services into NDIS. As a result, the Commission has recouped more funds from the NDIA in 2019–20.
- d) Commonwealth grants and contributions decreased by \$36.1 million (13.2%). Refer to point 18.

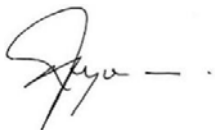
- e) Other revenue decreased by \$7.8 million (28.1%) due to a lower amount being recouped from disability sector organisations for under-delivered services in 2019-20.
- f) Right-of-use assets increased by \$2.8 million due to a change in accounting treatment for the initial adoption of AASB 16 leases.
- g) Intangible assets decreased by \$1.3 million (37.5%) mainly due to the transition of services to NDIS in WA.
- h) Lease liabilities increased by \$1.9 million. Refer to point f.
- i) Capital appropriation increased by \$1.3 million. Refer to point f.
- j) Supplies and services payments decreased by \$10.0 million (30.1%) mainly due to the amount outstanding in accounts payables yet to be settled as at 30 June 2020.
- k) GST payments on purchases decreased by \$37.0 million (46.8%) mainly due to the decrease in payments for services provided by funded agencies as a result of the transition, payments were redirected to the NDIA instead of the disability sector organisations.
- l) User charges and fees increased by \$7.4 million (53.9%). Refer to point c.
- m) Commonwealth grants and contributions decreased by \$83.3 million (28.9%). Refer to point 18.
- n) GST receipts on sales decreased by \$2.9 million (52.7%) due to the reduction in the recoup from disability sector organisations for under-delivered services in 2019-20 compared to 2018-19.
- o) GST receipts from taxation authority decreased by \$34.8 million (43.8%) due mainly to the increase in the transition of state clients to the NDIS, whereby payments are redirected to the NDIA where no GST is applicable.
- p) Other receipts increased by \$16.9 million (110.5%) due mainly to the recoup from disability sector organisations for under-delivered services in 2018-19 but received in 2019-20
- q) Principle elements of lease payments increased by \$1.3 million. Refer to explanation above in point f.

Key performance indicators

Certification of key performance indicators

For the reporting period ended 30 June 2020

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 2020.



Bruce Langoulant
Chairperson
Disability Services Commission Board
17 September 2020



Priya Cooper
Deputy Chairperson
Disability Services Commission Board
17 September 2020

Key Performance Indicators

Outcome-based management reporting framework

State Government goal

The Commission contributes to the State Government goal of 'Strong communities: Safe communities and supported families.'

Outcome 1: Life is enhanced for people with disability in the Western Australian community

Key effectiveness performance indicators

- 1.1 Proportion of quality evaluations which met national disability standards
- 1.2 Percentage of disability service users who achieved their individual plan outcomes
- 1.3 Proportion of the population in need who received disability services
- 1.4 Proportion of disability service users who achieved community participation outcomes

Service 1: Supporting people with disability to access services and participate in their community

Key efficiency performance indicators

- 1.1 Proportion of individual plans commenced within the required timeframe
- 1.2 Average cost per service activity for community participation for people with disability

Service 2: Living supports and care for people with disability

Key efficiency performance indicators

- 2.1 Average cost per service activity for community living support for people with disability
- 2.2 Average cost per service activity for independent living support for people with disability
- 2.3 Average cost per service activity for therapy and specialised care for people with disability
- 2.4 Average cost per service activity for residential services for people with disability

Changes to the outcome-based management reporting framework

The 2019–20 outcome-based management reporting framework was amended from the 2018–19 framework. The following key performance indicators were not reported from 2019–20 due to the changing environment as services are transferred and transitioned to the Australia-wide NDIS:

- Satisfaction with individualised planning process
- Satisfaction with service received
- Service users' satisfaction with community access and inclusion
- Average cost per intensity of individual support requirements
- Proportion of access, inclusion and advocacy projects completed within the required time

Reporting exemption

Six of the Commission's key performance indicators are based on client and service data that is collected from external disability services organisations. These organisations were significantly affected by the COVID-19 pandemic from March 2020. The decision was made to discontinue the 2019–20 service data collection.

Consequently, the Commission sought and received a reporting exemption from the Under Treasurer in relation to the following key performance indicators:

Outcome 1: Life is enhanced for people with disability in the Western Australian community

- 1.3 Proportion of the population in need who received disability services

Service 1: Supporting people with disability to access services and participate in their community

- 1.2 Average cost per service activity for community participation for people with disability

Service 2: Living supports and care for people with disability

- 2.1 Average cost per service activity for community living support for people with disability
- 2.2 Average cost per service activity for independent living support for people with disability
- 2.3 Average cost per service activity for therapy and specialised care for people with disability
- 2.4 Average cost per service activity for residential services for people with disability

The 2019–20 actual results have not been presented for these indicators.

Outcome 1: Life is enhanced for people with disability in the Western Australian community

Key effectiveness indicators

1.1 Proportion of quality evaluations which met national disability standards

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

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

In 2019–20, the proportion of quality evaluations which met national disability standards was 87 per cent; one per cent lower than 2018–19 and two per cent higher than the 2019–20 target. Given the transition to the Australia-wide NDIS, which will include the transfer of responsibility for certain quality assurance functions, this is the final year that this indicator will be reported.

Table 72: Proportion of quality evaluations which met national disability standards

2016–17 actual	2017–18 actual	2018–19 actual	2019–20 actual	2019–20 target	Variation from target
95%	90%	88%	87%	85%	2%

1.2 Percentage of disability service users who achieved their individual plan outcomes

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

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

In 2019–20, the percentage of disability service users who achieved their individual plan outcomes was 74 per cent, a decrease of three per cent when compared to 2018–19 result and four per cent lower than the 2019–20 target.

Table 73: Percentage of disability service users who achieved their individual plan outcomes

2015–16 actual	2016–17 actual	2017–18 actual	2018–19 actual	2019–20 actual	2019–20 target	Variation from target
78%	78%	79%	77%	74%	78%	-4%

1.3 Proportion of the population in need who received disability 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 Western Australia that has accessed our services.

The measure is calculated by dividing the number of users younger than 65 years of age who have accessed our services, by an estimated target population. The target population is derived from the '2018 Survey of Disability, Ageing and Carers', for people younger than 65 years of age with severe or profound disability living in Western Australia, and adjusted for the estimated number of people with disability in the Australia-wide NDIS in Western Australia.

Due to the significant impact the COVID-19 pandemic had on the disability services sector, the Under Treasurer approved an exemption from reporting this indicator, to assist in easing the administrative burden of sector organisations during this unprecedented period.

Table 74: Proportion of the population in need who received disability services

2016–17 actual	2017–18 actual	2018–19 actual	2019–20 actual	2019–20 target	Variation from target
44%	46%	59%	N/A	69%	N/A

1.4 Proportion of disability service users who achieved community participation outcomes

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

Results are derived at the point of plan review, when the achievement of community participation outcomes is documented. Each plan goal is rated based on whether it was fully achieved, mostly achieved, partially achieved or not achieved. The number of fully or mostly achieved goals is divided by the total number of reviewed plans.

In 2019–20, the proportion of disability service users who achieved community participation outcomes was 72 per cent, two per cent lower than the 2018–19 result and the 2019–20 target.

Table 75: Proportion of disability service users who achieved community participation outcomes

2016–17 actual	2017–18 actual	2018–19 actual	2019–20 actual	2019–20 target	Variation from target
76%	76%	74%	72%	74%	-2%

Service 1: Supporting people with disability to access services and participate in their community

Key efficiency indicators

1.1 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.

In 2019–20, the proportion of individual plans commenced within the required timeframe was 86 per cent, 11 per cent higher than the target. When setting the target, it was difficult to predict the impact that the transfer and transition to the Australia-wide NDIS would have on plan timeliness. However, with the continued focus on ensuring continuity of services during the transition, plan timeliness has remained higher than expected.

Table 76: Proportion of individual plans commenced within the required timeframe

2016–17 actual	2017–18 actual	2018–19 actual	2019–20 actual	2019–20 target	Variation from target
80%	83%	86%	86%	75%	11%

1.2 Average cost per service activity for community participation for people with disability

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 is divided by the total count of service activity.

Due to the significant impact the COVID-19 pandemic had on the disability services sector, the Under Treasurer approved an exemption from reporting the suite of 'average cost per service activity' efficiency indicators, to assist in easing the administrative burden of sector organisations during this unprecedented period.

Table 77: Average cost per service activity for community participation for people with disability

2016–17 actual	2017–18 actual	2018–19 actual	2019–20 actual	2019–20 target	Variation from target
\$9,705	\$10,943	\$11,743	N/A	\$7,213	N/A

Service 2: Living supports and care for people with disability

Key efficiency indicators

These measures identify 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 is divided by the total count of service activity.

Due to the significant impact the COVID-19 pandemic had on the disability services sector, the Under Treasurer approved an exemption from reporting the suite of 'average cost per service activity' efficiency indicators, to assist in easing the administrative burden of sector organisations during this unprecedented period.

2.1 Average cost per service activity for community living support for people with disability

Table 78: Average cost per service activity for community living support for people with disability

2016–17 actual	2017–18 actual	2018–19 actual	2019–20 actual	2019–20 target	Variation from target
\$172,172	\$170,141	\$144,046	N/A	\$112,575	N/A

2.2 Average cost per service activity for independent living support for people with disability

Table 79: Average cost per service activity for independent living support for people with disability

2016–17 actual	2017–18 actual	2018–19 actual	2019–20 actual	2019–20 target	Variation from target
\$33,030	\$31,853	\$30,542	N/A	\$20,057	N/A

2.3 Average cost per service activity for therapy and specialised care for people with disability

Table 80: Average cost per service activity for therapy and specialised care for people with disability

2016–17 actual	2017–18 actual	2018–19 actual	2019–20 actual	2019–20 target	Variation from target
\$6,150	\$7,785	\$7,733	N/A	\$5,145	N/A

2.4 Average cost per service activity for residential services for people with disability

Table 81: Average cost per service activity for residential services for people

2016–17 actual	2017–18 actual	2018–19 actual	2019–20 actual	2019–20 target	Variation from target
\$212,476	\$220,514	\$290,095	N/A	\$179,770	N/A

Other statutory information

Ministerial directives

No ministerial directives were received during 2019–20.

Other financial disclosures

Pricing policies

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

Capital works projects

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

Capital works projects completed

Nil.

Major capital projects incomplete

Nil.

Employment and industrial relations

The Chief Executive Officer of the Commission uses the resources of the Department of Communities to perform functions of the Commission. Communities' annual report for 2019–20 provides more detailed information on employment and industrial relations that also applies to the Commission. Therefore, limited information is provided in this report and should be read in conjunction with Communities' report.

Staff profile

At the close of the financial year, 521 permanent, fixed-term and casual employees were directly employed by the Commission. The staff are directly employed under the *Disability Services Act 1993* and represent occupational groups, including registered nurses, support workers and social trainers.

The Disability Services Commission directly employs the following occupational groups:

- **Registered nurses:** Registered Nurses – Australian Nursing Federation – Disability Services Commission IA 2019
- **Disability support workers:** Disability Services Commission – United Voice – Disability Support Workers Industrial Agreement 2017.

Public service officers are directly engaged by Communities and are made available to the Commission.

Table 82: Disability Services Commission Employment Profile

Employment Type:	2018-19(1)	2019-20(2)
Permanent	443	434
Fixed Term	29	29
Casual	66	58
Total	538	521

(1) The 2018-19 reported permanent and fixed term headcount (420) was incorrect. This was due to a reporting error that incorrectly classified the number of employees employed under the Act.

(2) The actual 2018-19 adjusted permanent and fixed term headcount for employees directly employed under the Act was 472. Casual employees have been included for comparison purposes with 2019-20 reported headcount.

Section 40 estimates

In accordance with Treasurer's Instruction 953, the section 40 estimates will be available on Communities' website.

Board and committee remuneration

Disability Services Commission Board remuneration

Table 83: Disability Services Commission Board remuneration

Position	Name	Type of remuneration	Period of membership (1)	Gross/actual remuneration 2019–20 financial year
Chairperson	Bruce Langoulant	Sitting fee	01/07/2019 – 30/06/2020	\$39,316
Deputy Chairperson	Priya Cooper	Sitting fee	01/07/2019 – 30/06/2020	\$14,940
Member	Gabrielle Trenbath	Sitting fee	01/07/2019 – 14/02/2020	\$4,338
Member	Melissa Northcott	Sitting fee	01/07/2019 – 30/06/2020	\$8,677
Member	Michelle Antonio	Sitting fee	02/12/2019 – 30/06/2020	\$8,677
Member	Jaimen Hudson	Sitting fee	02/12/2019 – 30/06/2020	\$8,677
Member	Su-Hsien Lee	Sitting fee	01/07/2019 – 30/06/2020	\$8,677
Member	Terina Grace	Sitting fee	01/07/2019 – 30/06/2020	\$8,677
Member	Kerry Allan–Zinner (2)	Sitting fee	01/01/2019 – 30/06/2020	–
Member	Warren Harding	Sitting fee	04/06/2020 – 30/06/2020	–
Total	–	–	–	\$101,979

(1) The period of membership refers to the board member's membership during the 2019–20 reporting period.

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

Ministerial Advisory Council on Disability remuneration

Table 84: Ministerial Advisory Council on Disability remuneration

Position	Name	Type of remuneration	Period of membership (1)	Gross/actual remuneration 2019–20 financial year (2)
Chairperson	Kerry Allan-Zinner	Sitting fee	01/07/2019 – 30/06/2020	\$19,305
Deputy Chairperson	Andrew Thompson	Sitting fee	01/07/2019 – 30/06/2020	\$8,125
Member	Carol Franklin	Sitting fee	01/07/2019 – 30/06/2020	\$5,555
Member	Carol Kagi	Sitting fee	01/07/2019 – 31/12/2019	\$2,525
Member	David Carrington	Sitting fee	01/07/2019 – 31/12/2019	–
Member	Grace Mills	Sitting fee	01/07/2019 – 30/06/2020	\$5,555
Member	Joan Foley	Sitting fee	01/07/2019 – 30/06/2020	\$5,555
Member	Justine Colyer	Sitting fee	01/07/2019 – 30/06/2020	\$5,555
Member	Kane Moyle	Sitting fee	01/07/2019 – 30/06/2020	\$5,555
Member	Peter Batini	Sitting fee	01/07/2019 – 31/12/2019	\$2,525
Member	Piper Marsh	Sitting fee	01/07/2019 – 30/06/2020	\$5,555
Member	Tony Vardaro	Sitting fee	01/07/2019 – 30/06/2020	\$5,555
Member	Mary Butterworth	Sitting fee	26/08/2019 – 30/06/2020	\$4,546
Member	Jasmyn Allen	Sitting fee	26/08/2019 – 30/06/2020	\$4,546

Member	Erika Webb	Sitting fee	01/01/2020 – 30/06/2020	\$3,030
Member	Danielle Newport	Sitting fee	01/01/2020 – 30/06/2020	\$3,030
Member	Kane Blackman	Sitting fee	01/01/2020 – 30/06/2020	–
Total	–	–	–	\$86,517

(1) The period of membership refers to the committee member's membership during the 2019–20 reporting period.

(2) Public sector employees do not receive remuneration.

Notes:

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

WA NDIS Appeals Panel

In 2019–20, people participating in the Western Australian NDIS who had not yet transferred to the Australia-wide NDIS continued to have access to an independent Western Australian NDIS Appeals Panel (the Panel). If a person was dissatisfied with the results of a review, they could appeal the decision and have their case heard by the Panel. Decisions related to a number of areas are appealable, including eligibility, reasonable and necessary supports, self-management of funds, extension of grace periods, plan reviews and the application of compensation reduction amounts.

The Panel was chaired by an independent person who drew on a pool of appointed panel members also external to Communities. For each appeal, panel members were selected based on their expertise and experience relevant to the matter under consideration. The identity of panel members are kept confidential to prevent potential lobbying from stakeholders. As the majority of Western Australian NDIS participants transferred to the Australia-wide NDIS during the previous financial year, only one appeal was held in 2019–20.

Table 85: Western Australian NDIS Appeals Panel remuneration

Member	Gross/actual remuneration 2019–20
Panel Chairperson (Panel Member 1)	\$751
Panel Member 2	\$351
Panel Member 3	\$351
Total	\$1,453

Governance disclosures

Director's indemnity insurance

In 2019–20, the Commission paid insurance premiums in respect of the liability of officers of the Commission in their capacity as directors and officers. The insurance policy covers:

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

Other legal requirements

Advertising

In accordance with section 175ZE of the *Electoral Act 1907*, the Commission incurred expenditure in advertising and media advertising. Total expenditure for 2019–20 was \$1,256.49.

Table 86: Advertising expenditure for 2019–20

Expenditure	Organisation	Amount	Total
Advertising	Initiative Media	\$1,256.49	\$1,256.49
Market research	–	–	–
Polling	–	–	–
Direct mail	–	–	–
Media advertising	–	–	–
Grand total	–	–	\$1,256.49

Personal expenditure on Government credit cards

In accordance with Treasurer's Instruction 321, officers are prohibited from using Government-issued credit cards for personal purposes. Treasurer's Instruction 903(13)(iv) requires the Commission to disclose information relating to personal use. Table 87 details the personal expenditure using Government-issued credit cards in 2019–20.

Table 87: Personal expenditure using Government-issued credit cards in 2019–20

Details of the personal expenditure	2019–20
Number of instances the Western Australian Government purchasing card has been used for a personal purpose	32
Aggregate amount of personal use expenditure for the reporting period	\$838.68
Aggregate amount of personal use expenditure settled by the due date	\$410.77
Aggregate amount of personal use expenditure settled after the period required by the due date	\$427.91
Aggregate amount of personal use expenditure outstanding at the end of the reporting period	\$Nil
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	1

Disability Access and Inclusion Plan

The 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 is reported in Communities' annual report for 2019–20.

Substantive equality

The Commission's commitment to substantive equality is reported in Communities' annual report for 2019–20.

Recordkeeping plan

The Commission's recordkeeping plan is reported in Communities' annual report for 2019–20.

Quality of services

The 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 Commission's quality system is underpinned by the national standards and includes a range of coordinated activities aimed at enhancing and safeguarding the quality of service users' interactions with disability services.

Supports delivered by service providers are evaluated to ensure they make a positive difference to the lives of users, support their goals, and comply with the national standards. The system focuses on quality individual planning processes, contemporary person-centred approaches, safeguarding and support for people's decision-making and choice, as well as human rights and individual outcomes.

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

Consumer Liaison Service

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

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

Complainants have the opportunity to provide feedback on the way their complaint was managed and the outcome of the complaint. People not satisfied with the management or outcome of their complaint can have their concerns reviewed through the Health and Disability Services Complaints Office. This independent statutory authority provides a free and impartial complaints resolution service and is available to all users and providers of health and disability services in Western Australia.

Complaints received

The 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. This was also reflected during 2019–20 with staff focused on assisting families with the transition to the Australia-wide NDIS.

There were 10 complaints received in 2019–20, compared to 22 in the previous year. Of the 10 complaints received, all were made by family members/guardians on behalf of a person with disability. Of these, six were on behalf of an adult with disability and four were on behalf a child with disability (17 years and under).

As at 30 June 2020, there were two active complaints under investigation. Of the remaining eight complaints, three complainants were satisfied with how their complaint was managed, one was undecided, one disagreed and three did not respond. Two complainants were satisfied with the outcome of their complaint, three were not satisfied with the outcome of their complaint and three did not respond.

Implementing the Carers Charter

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

The Charter specifically requires that carers are treated with respect and dignity and are included in the assessment, planning, delivery and review of services that impact on

them and their role. Carers' views, needs and interests are taken into account in decision-making that affects their role. Carers can make complaints about services that affect them.

Disability Justice Service

Disability Justice Service provides targeted services for Western Australians with disability interfacing with the criminal justice system. The service includes prevention and diversion, clinical intervention, 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'¹ or reside in the community. The in-reach/out-reach services 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 relating to offending behaviour. Over the past 12 months the service provided support to 213 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. The service also provided prisoner peer support training to Acacia Prison, Bandyup Women's Prison and Albany Regional Prison. Disability Justice Service staff delivered 27 training sessions during the year, with five others cancelled by the requesting agency due to COVID-19 restrictions.

In 2019–20, disability awareness resources for the Western Australia Police Force were delivered to more than 150 police stations around the State. The resources are co-badged and consist of laminated A3 sized posters for police station walls and wallet

¹ People who have been deemed unfit to stand trial, are placed on a custody order and are subject to the *Criminal Law (Mentally Impaired Accused) Act 1996*.

cards for every police officer. The poster and the card provide information about disability and who to contact, if it appears that police may be liaising with a person with disability. The delivery of these resources resulted in positive feedback and requests for disability awareness training for police officers.

Disability Justice Centre

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

Throughout 2019–20 three people resided at the Centre. One individual ceased to be a resident and returned to an alternative place of custody. All residents were granted leaves of absence by the Mentally Impaired Accused Review Board, which enabled them to leave the Centre with appropriate support and participate in activities within the community. Over the past year the residents participated in 513 leaves of absence; of these eight were not completed according to conditions contained in their leave of absence orders.

Reporting and compliance

The Centre has worked 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 2019–20, the Mental Health Advocacy Service conducted visits to Centre residents in accordance with legislative requirements and received all required reporting from the Commission.

Government policy requirements

Compliance with Public Sector Standards and ethical codes

The Commission employs staff directly and also uses Communities staff to perform its functions. Communities' annual report for 2019–20 provides information on compliance with Public Sector Standards and ethical codes.

Occupational safety and health

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

Communities' annual report for 2019–20 provides information on workers' compensation and injury management performance for the Commission.

