

OUR PERFORMANCE — REVIEW OF OPERATIONS



Operational highlights

The Commission has implemented process improvements during the last 12 months, the success of which can largely be attributed to the Local Commissioners. Section 50A of the Act paved the way for the Commission to conduct conferences, in certain circumstances, constituted by three Local Commissioners. The Local Commissioners set the focus for the 2013-14 financial year by embracing this amendment, displaying their readiness and confidence in sitting independently. The Cairns registry has worked closely with the Local Commissioners to re-design conference documentation, ensuring that conferences undertaken independently by the Local Commissioners are not only resourced with streamlined document processes that comply with the new legislative requirements, but are also recorded via improved data collection and integrity processes to inform on the effects of the amendment. The Local Coordinators have reported that conferences conducted by three Local Commissioners have improved the quality and depth of communication with clients. By sitting independently, the Local Commissioners have directly role modelled the behaviour they are seeking in their clients – the acceptance of responsibility and self-empowerment.

School attendance rate for 2008-2014 term 2

School attendance data	Aurukun community ¹	Aurukun community primary	Aurukun community secondary ²	Coen ³	Hope Vale	Mossman Gorge community ^{3,4}
Prior methodology ⁵						
Term 2 2008	37.9%	44.0%	19.8%	96.8%	87.6%	60.9%
Term 2 2009	63.2%	68.8%	40.3%	93.6%	86.9%	81.6%
Term 2 2010	57.7%	64.7%	32.7%	92.2%	83.5%	79.1%
Term 2 2011	70.1%	73.2%	51.5%	86.6%	78.6%	79.5%
Term 2 2012	60.0%	61.5%	17.4%	88.5%	78.8%	74.7%
New methodology						
Revised term 2 2012	59.8%	61.3%	15.6%	87.9%	77.3%	70.0%
Term 2 2013		63.4%	-	89.3%	70.2%	84.0%
Term 2 2014	60.9%	64.7%	23.2%	92.6%	77.6%	64.0%

1. Aurukun community data prior to 2013 includes primary and secondary students attending the Aurukun Campus of CYAAA (PY-12). From Term 1 2013, Aurukun community data includes primary students attending the Aurukun Campus of CYAAA (PY-07) and secondary students attending Western Cape College (WCC) - Aurukun Secondary Campus.

2. Effective from 2013 Aurukun secondary campus schooling transitioned to the Alternative Secondary Pathway (ASP) program facilitated by WCC. Term 2 2013 attendance rate for WCC – Aurukun Secondary Campus has been withdrawn from the data table because administrative processes used at the school during that period resulted in attendance rates that were not comparable over time, or with other schools. The records collected from term 2 indicate an attendance rate of 92.5 percent. Using this data may result in invalid interpretations of the student attendance at this campus.

3. Caution should be used when examining the percentage changes in attendance for both Coen and the Mossman Gorge community. Both these have relatively small numbers of students and a small numerical change can result in a large percentage difference in the overall attendance figures.

4. Mossman Gorge community attendance includes attendance for school-identified students from Mossman State School and Mossman State High School.



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5. The transition of Queensland schools to the 'OneSchool' IT system has resulted in a variation in the calculation of student attendance. Effective from January 2013 statistics are being calculated on the attendance history of each student on each day, irrespective of enrolment history. Students with high mobility will now be accurately reflected in student attendance reporting. DETE advise that the student attendance series based on the new methodology is not directly comparable to the prior methodology.

Performance statement

The Commission has updated its performance measures to reflect the assigned work of the Commission. These performance measures are used to identify workload and operating results.

Performance measures	2012-2013 actual result	2013-2014 target estimate	2013-2014 actual result
Number of clients subject to agency notices	847	800	860
Number of clients who are on orders to attend support services	166	135	226
Number of client service referrals	339	225	435
Number of clients subject to Conditional Income Management (CIM)	268	255	239

Discontinued measures

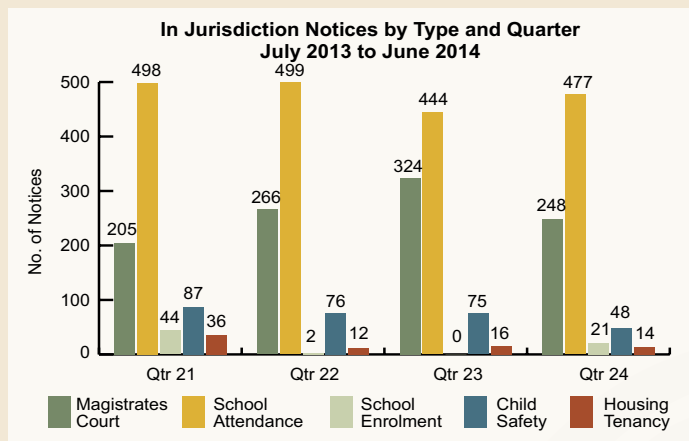
Performance measures included in the 2013-14 Service Delivery Statements that have been discontinued are reported in the following table. These measures were discontinued from the Service Delivery Statements because they do not demonstrate the effectiveness or efficiency of services.

Performance measures	2012-2013 actual result	2013-2014 target estimate	2013-2014 actual result
Number of agency notices received	4,778	4,475	4,246
Number of child safety and welfare notices received	178	215	311
Number of school attendance notices received	2,192	1,980	2,061
Number of school enrolment notices received	0	0	88
Number of housing tenancy notices received	129	210	79
Number of Magistrates Court notices received	2,279	2,070	1,707
Number of notices of conference issued	1,686	1,490	1,794
Number of clients with conference outcomes recommending no further action	240	195	243

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Notifications and conferences by community



**Graph 1: In jurisdiction notices by type and quarter
1 July 2013 to 30 June 2014.**

From 1 July 2013 to 30 June 2014, the Commission received a total of 4,246 agency notices of which 3392 were in jurisdiction, comprising:

- 1043 Magistrates Court notices
- 1918 School Attendance notices
- 67 School Enrolment notices
- 286 Child Safety and Welfare notices
- 78 Housing Tenancy notices

854 notices were not within jurisdiction, comprising:

- 664 Magistrates Court notices
- 143 School Attendance notices
- 21 School Enrolment notices
- 25 Child Safety and Welfare notices
- 1 Housing Tenancy notices

1794 conferences were held in the period.

Aurukun

Aurukun accounted for 1891 notices, 56 percent of the total notices that were in jurisdiction, comprising:

- 625 Magistrates Court notices
- 1080 School Attendance notices
- 33 School Enrolment notices
- 113 Child Safety and Welfare notices
- 40 Housing Tenancy notices

118 Magistrates Court notices, 50 School Attendance notices, 4 School Enrolment notices and 4 Child Safety and Welfare notices were processed as not within jurisdiction.

923 conferences were held in Aurukun.

Coen

Coen accounted for 129 notices, 4 percent of the total notices that were in jurisdiction, comprising:

- 34 Magistrates Court notices
- 62 School Attendance notices
- 6 School Enrolment notices
- 21 Child Safety and Welfare notices
- 6 Housing Tenancy notices

6 Magistrates Court notices, 19 School Attendance notices, 3 School Enrolment notices and 1 Child Safety and Welfare notice were processed as not within jurisdiction.

102 conferences were held in Coen.

Hope Vale

Hope Vale accounted for 1128 notices, 33 percent of the total notices that were in jurisdiction, comprising:

- 296 Magistrates Court notices
- 668 School Attendance notices
- 24 School Enrolment notices
- 128 Child Safety and Welfare notices
- 12 Housing Tenancy notices

30 Magistrates Court notices, 64 School Attendance notices, 14 School Enrolment notices, 12 Child Safety and Welfare notices and 1 Housing and Tenancy notice were processed as not within jurisdiction.

514 conferences were held in Hope Vale.

Mossman Gorge

Mossman Gorge accounts for 244 notices, 7 percent of the total notices that were in jurisdiction, comprising:

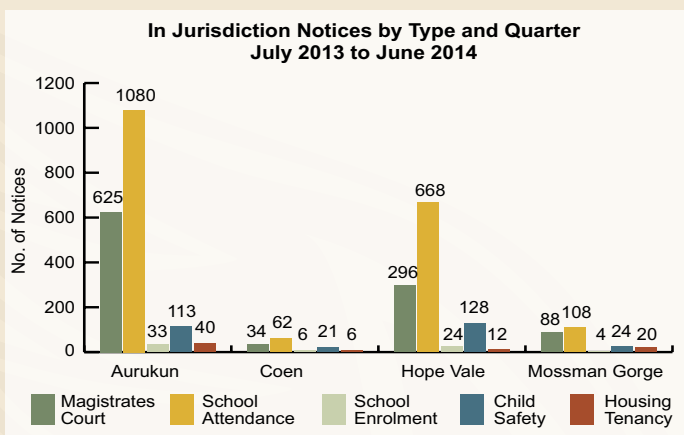
- 88 Magistrates Court notices
- 108 School Attendance notices
- 4 School Enrolment notices
- 24 Child Safety and Welfare notices
- 20 Housing Tenancy notices

510 Magistrates Court notices, 10 School Attendance notices and 8 Child Safety and Welfare notices were processed as not within jurisdiction.

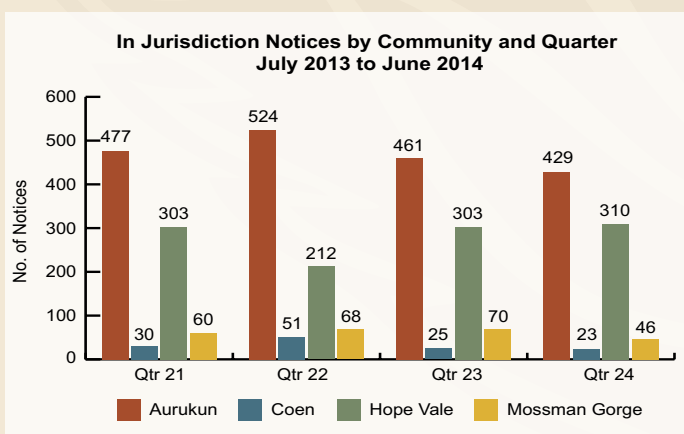
255 conferences were held in Mossman Gorge.



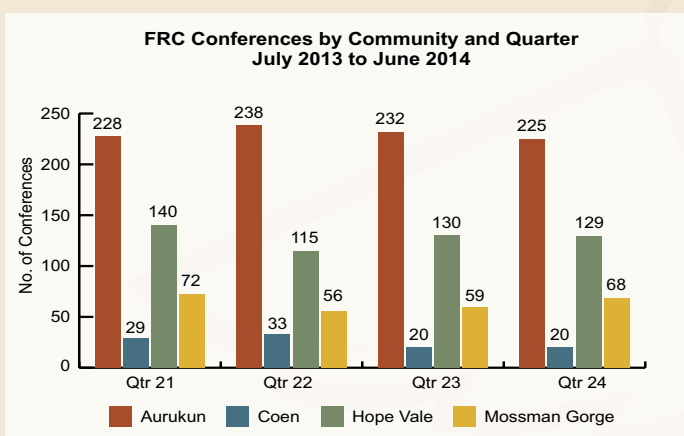
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**Graph 2: In jurisdiction notices by type and community
1 July 2013 to 30 June 2014.**

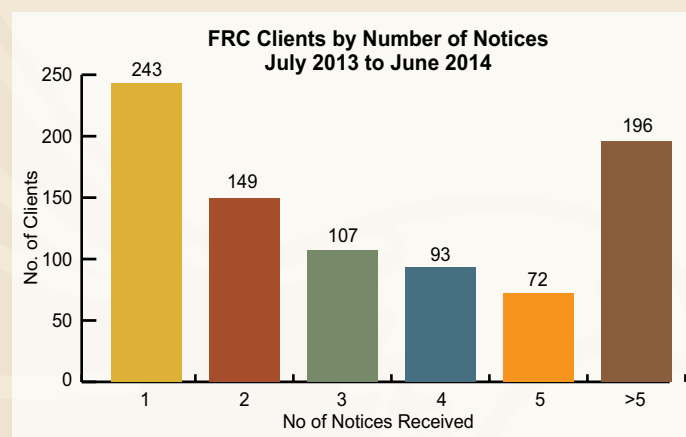


**Graph 3: In jurisdiction notices by community and quarter
1 July 2013 to 30 June 2014.**



**Graph 4: FRC conferences by community and quarter
1 July 2013 to 30 June 2014.**

In its sixth year of operation the Commission continues to develop a comprehensive client knowledge base from which the Commission manages, refers, reviews and provides ongoing support and assistance. From 1 July 2013 to 30 June 2014, 22.8 percent of the Commission's clients received more than five notices. In past annual reports this statistic has been reported as a reflection of clients with multiple school absences for one child, or multiple Magistrates Court notices relating to one incident. This year we have also seen multiple child safety notices received for one incident, reflecting an enhanced understanding of the support child safety can offer and an increase in community members and services reporting unsafe behaviours.



**Graph 5: FRC clients by number of notices
1 July 2013 to 30 June 2014.**

Note: Counting rules are that an agency notice is counted on the basis of number of 'clients' on the notice. For example a Child Safety and Welfare notice relating to two parents is counted as two notices. Where multiple notices are received each notice is counted individually and each child's absence is counted individually. For example, if three children from one family were absent on one day that is counted as three individual notices.

Whilst Aurukun accounts for 55.75 percent of the total number of within jurisdiction notices received, 57.11 per cent of Aurukun's notices were related to school attendance. Eighty-five percent of the school attendance notices received were in relation to primary school aged children. Minimal notices were received in relation to secondary aged students in Aurukun due to the Aurukun Secondary Pathway model of short intense support programs.

Sixty-seven School Enrolment (SE) notices were received this year, relating to 47 children. This is the Commission's first year of receiving SE notices, and the receipt of these notices has increased the Commission's awareness of the gap in service accountability to these

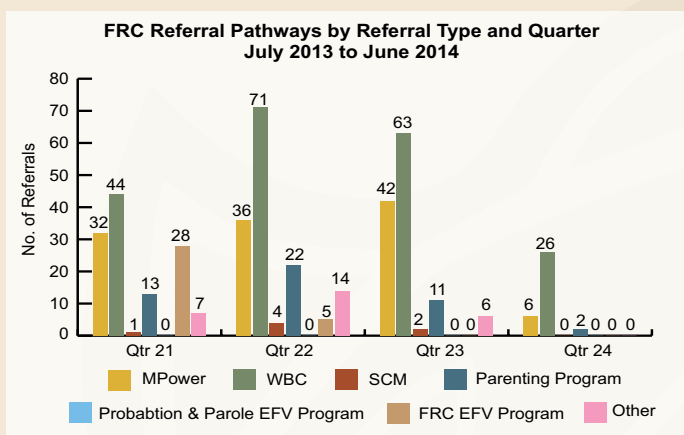
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high-end disengaged youth. This new target clientele for the Commission has influenced the Commissioners to advocate for alternative options for re-engaging these youth, and more importantly to advocate for more proactive programs to ensure that current primary aged students do not disengage from the education system, enabling them to reach higher education and employment opportunities.

Referrals

From 1 July 2013 to 30 June 2014, 435 referrals were made to service providers relating to 233 clients.



Graph 6: FRC referral pathways by referral type and quarter 1 July 2013 to 30 June 2014.

The Commission's referral options for the past year have included CYAAA SCM, WBC, MPower money management program, Queensland Health and the Parenting Program. As many of the Commission's clients have complex needs, it is often the case that there are multiple referrals on a case plan. More than 50 per cent of clients on case plans received more than one referral.

The Commission recognises that a lack of retention and continuity of skilled staff within the above mentioned services has continued to impede the quality of service delivery on the ground. Local Commissioners report that when services on the ground are delivered by skilled and consistent support staff, confidence in the quality of service delivery is enhanced and referrals increase as a result.

The WBCs have received between 38 to 49 percent of the referrals across the four communities over the past year. These referrals were for alcohol and substance misuse, anger management, domestic violence, grief counselling and general wellbeing counselling. Referrals have also been made to the WBCs in support of families with

disengaged youth, encouraging them to attend young women and young men's groups.

Within this reporting period the Local Commissioners have developed a family based solution to problems with school attendance. School attendance statistics are being utilised in conference to make parents/carers aware of the extent of their children's non-attendance, to monitor any improvements (or reductions) in attendance, and to seek a direct resolution at conference rather than make a referral. If the family based solution does not succeed, referrals are then made to encourage behaviour change.

Conditional Income Management

From 1 July 2013 to 30 June 2014, 304 CIM orders were issued to 239 clients. Effective from the 1 January 2014, the *Social Security (Administration) Act* was amended, increasing the maximum rate of income management from 75 percent to 90 percent.

Subsequent to the amendment there were 69 orders made in relation to 61 clients for 90 percent CIM orders, resulting from:

- 56 orders where the percentage increased from 75 to 90 percent
- 7 extension orders at 90 percent
- 3 new orders were made at 90 percent where the client was not currently on a CIM order but had been previously placed on a CIM order
- 3 new orders were made at 90 percent where the client had never been placed on a CIM order.

Six clients have had their 90 percent CIM orders revoked or altered from their initial order:

- 5 clients' 90 percent CIM orders revoked
- 1 client's 90 percent CIM order reduced from 90 to 75 percent.

The Commission can report that the application of 90 percent CIM orders has varied across the four communities. Aurukun has primarily utilised the new percentage to address school attendance, Mossman Gorge and Hope Vale have utilised the new percentage to gain the attention of clients who have continuously failed to appear for a conference, whilst Coen is yet to utilise the order.



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The Aurukun Commissioners have reported improved engagement with clients utilising the visual trigger of school attendance statistics, and are routinely sourcing and presenting attendance statistics at conference. Mossman Gorge and Hope Vale have reported a disparity in responses from their clients, some of whom have commenced engaging in conferencing, and some who continue to disengage.

Clients have communicated that it is easy to see the physical impacts of CIM on a family; children are clothed, provided with food and able to access educational opportunities. The Commissioners have noted that having MPower to support CIM clients has also resulted in the purchase of white goods and furniture for the family home. Since the commencement of the Commission, 77 community members have requested income management on a voluntary basis, including 1 client placed on a 90 percent VIM agreement in this financial year.

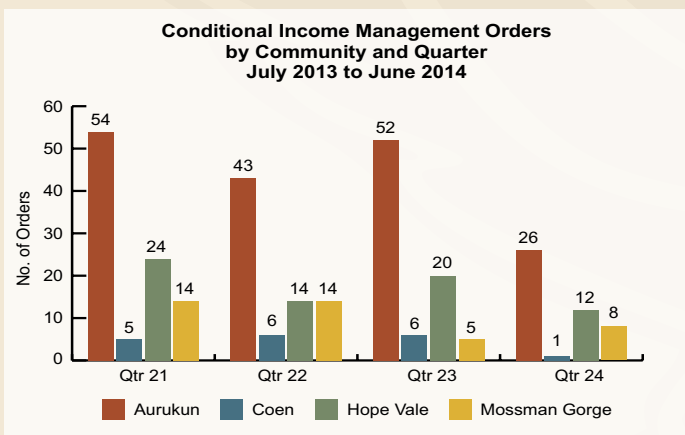
Mossman Gorge's fortnightly school case coordination meetings have continued this year with issues related to school attendance remaining the focus of the group. Due to consistent attendance by relevant stakeholders, strategic actions to address non-attendance have been developed.

Aurukun has created and implemented an integrated case management meeting model. The model has been designed with a graduated focus, the first being case coordinating mental health and community safety within the associated service delivery group.

Hope Vale has recently structured a multi-service meeting to address school attendance with a strong link to employment. The model is in the implementation phase, with strong and supportive attendance by service providers. The Commission will continue to support its development.

This year Coen has continued to maintain coordination of clients through a proactive Wellbeing Centre.

The Commission would like to report that the focus of each of the service models has been community driven. The Local Commissioners in each of the communities have engaged in the meetings and have ensured that the focus of the group has aligned with the focus of the community. The attendance of Local Commissioners has also ensured that discussions within the above mentioned meetings have provided the community with appropriately targeted service delivery initiatives.

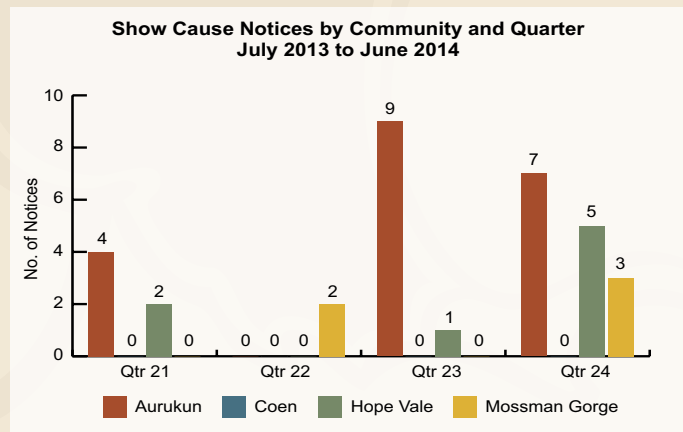


Graph 7: Conditional Income Management orders by community and quarter 1 July 2013 to 20 June 2014.

Case management

As at 30 June 2014, 219 clients were being case managed through active case plans. The Commission has continued to case manage clients by utilising a formal review process for clients on income management and other case plans. The Commission acknowledges that effective communication across service providers within a community is the key to ensuring clients are effectively engaged and case managed. As a consequence of this understanding the Commission has continued to support the development, implementation and enhancement of new and existing integrated case management meetings based in the communities.

Show Cause Notices



Graph 8: Show Cause Notices by community and quarter 1 July 2013 to 30 June 2014.

Show Cause recommendations continue to be assessed on a case by case basis by the Commission. This year there has been a marked increase in the number of show

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cause conferences undertaken. Local Commissioners have targeted non-complying clients in an effort to source solutions to improve their behaviour.

From 1 July 2013 to 30 June 2014, 33 Show Cause hearings were held. These matters resulted in:

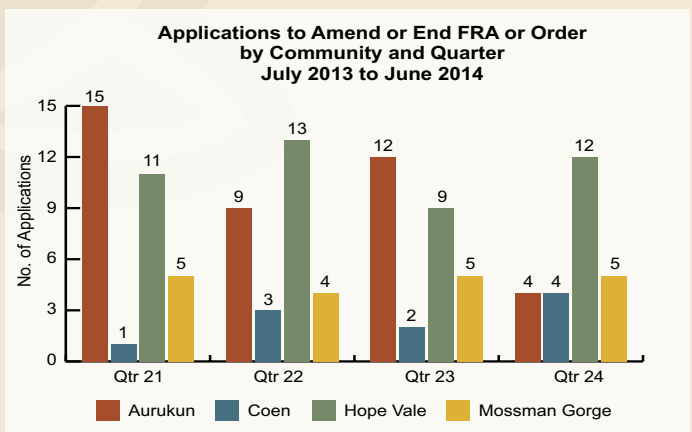
- 6 clients placed on CIM Orders at 75 percent
- 5 clients with previous CIM Orders revoked and placed on CIM Orders at 90 percent
- 2 clients' CIM Orders extended at 75 percent and ordered to comply with new case plans
- 2 clients placed on CIM orders at 75 percent and ordered to comply with case plans
- 1 client placed on a CIM order at 90 percent and ordered to comply with case plan
- 1 client's previous VIM agreement revoked, placed on a CIM order at 60 percent and ordered to comply with case plan
- 3 clients' case plans revoked and ordered to comply with new case plans
- 2 clients placed on monitor
- 1 client given a warning
- 1 client's CIM Order revoked
- 1 client's case plan revoked
- 3 Show Cause notices rescheduled until next quarter pending client completing actions directed by the Commission
- 5 no further action.

Amend or End Applications

The Act invites clients to apply for an amend or end of a Commission order or agreement. The Commissioners continue to consider a number of options when determining the outcome of applications, including varying case plans, amending the income management percentage or ending the order or agreement. The Commission views the number of applications to amend or end agreements or orders as an indicator of client confidence in the Commission to provide a fair, just and equitable process. Forty-eight percent of the applications received this financial year resulted in a revocation of the CIM order. Non-attendance at a conference for an application to amend has usually resulted in a dismissal unless the non-attendance is explained. This result highlights the Local Commissioners' voice in the community, that respect and attendance is a baseline expectation.

From 1 July 2013 to 30 June 2014 a total of 114 Applications to Amend or End an FRA or Order were received. The applications resulted in:

- 48 income management agreements and orders revoked
- 2 income management agreements and orders revoked and case plans revoked
- 5 income management agreements and orders revoked and clients ordered to comply with case plans
- 37 applications dismissed
- 3 applications dismissed and clients ordered to comply with case plan
- 1 application dismissed, 75 percent CIM order extended for 6 months and ordered to comply with case plan
- 1 application dismissed and client Conditionally Income Managed at 60 percent for 12 months
- 1 application dismissed and client Conditionally Income Managed at 90 percent for 12 months
- 1 application dismissed, client Conditionally Income Managed at 90 percent for 12 months and ordered to comply with case plan
- 4 applications dismissed and clients given a warning
- 1 CIM order percentage reduced from 75 to 60 percent and extended for 12 months
- 1 application rescheduled for the 2014-2015 financial year
- 9 applications received at the end of the financial year - decisions pending.



Graph 9: Applications to Amend or End FRA or Order by community and quarter 1 July 2013 to 30 June 2014.



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Financial summary

This financial overview is a summary of the financial performance and position of the Commission.

The Commission's financial reporting framework

A comprehensive set of 2013-14 financial statements covering all aspects of the Commission's activities commences on page 69. These statements include explanatory notes and comparative figures for 2012-13.

Internal audits are performed by the Executive Officer (Management) to ensure efficiency and economy of systems and to identify financial, operational and business continuity risks. Audit results are duly reported to the Commissioner and Registrar to determine whether any remedial actions are required and to establish compliance with statutory requirements and best practice.

Administering department

Effective from 3 April 2012 the Commission has been operating under the stewardship of the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs.

Operating result

The operating result for 2013-14 was a deficit of \$0.396 million.

Income statement

Income statement	30 Jun 2014 \$,000	30 Jun 2013 Restated \$,000
Income	3,409	3,510
Less: operating expenses	3,805	3,542
Net result for financial year – surplus/(deficit)	(396)	(32)

Income for the year was comprised of Queensland Government funding of \$1.6 million for operations and \$0.049 million for delivery of the EFV program, Australian Government funding of \$1.7 million, \$0.028 million in bank interest and \$0.032 million received in other expense recoveries.

Expenses

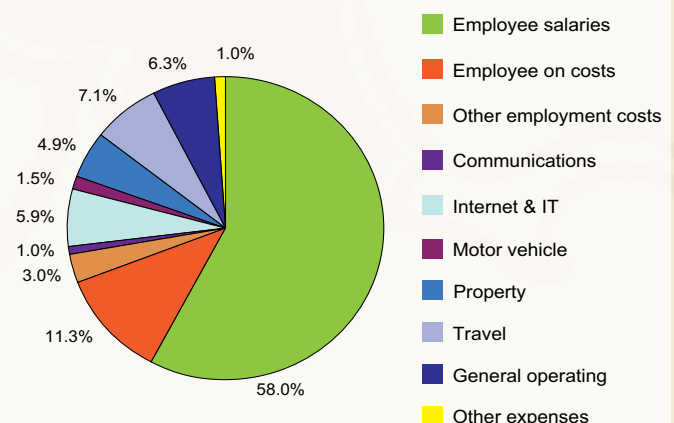
Expenses by type	30 Jun 2014 \$,000	30 Jun 2013 Restated \$,000
Employee expenses	2,752	2,459
Supplies and services	1,014	1,034
Depreciation and amortisation	-	11
Other expenses	39	38
Total	3,805	3,542

Employment expenses were restated in 2012-13 for Local Commissioners' superannuation entitlements, a matter established as a liability during 2013-14 and covering the period 2008-09 to 2013-14. Employment expenses otherwise increased in 2013-14 due to wage rises, increments and the accompanying increase in on-costs.

Supplies and services expenditure slightly decreased in 2013-14. This was due to ongoing effects of cost saving measures in the areas of external corporate service charges and information technology (IT) expenses. These savings were offset by increases due to inflation and new contracts for travel and office rentals.

Depreciation and amortisation of non-current assets was nil as all assets had previously been fully depreciated or amortised. All assets under \$5,000 are written off immediately and there were no new assets purchased for over \$5,000 in 2013-14.

Total Operating Costs by Category 2013-2014

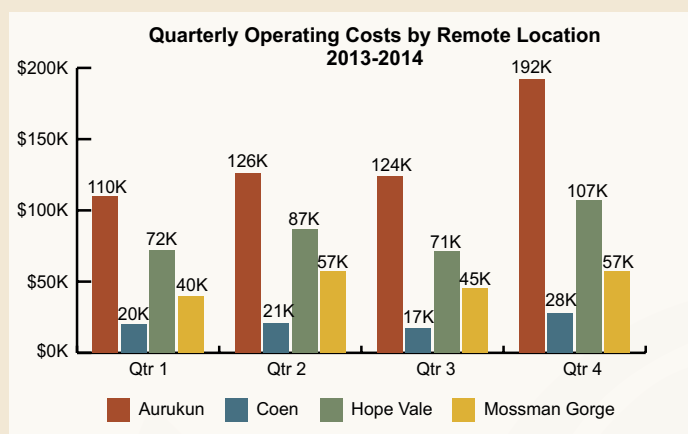


Graph 10: Expenses by category and percentage of total 1 July 2013 to 30 June 2014.

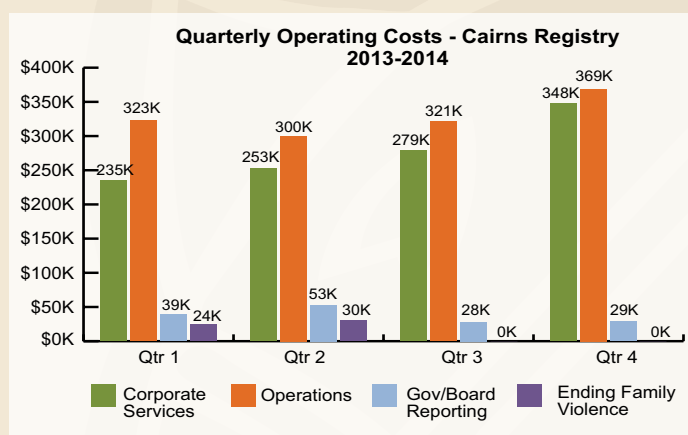
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Cairns registry and remote location expenditure



Graph 11: Operating costs by remote location 1 July 2013 to 30 June 2014.



Graph 12: Quarterly operating costs, Cairns Registry 1 July 2013 to 30 June 2014.

Statement of financial position

Total assets at 30 June 2014 consisted of current assets of cash and receivables.

Total liabilities as at 30 June 2014 consisted of payables and accrued employee benefits.

Statement of financial position	30 Jun 2014 \$,000	30 Jun 2013 Restated \$,000
Current assets	1,024	1,355
Total assets	1,024	1,355
Current liabilities	546	481
Total liabilities	546	481
Net assets	478	874
Retained equity	478	874

Cash flow statement

The cash flow statement shows the nature and amount of the Commission's cash inflows and outflows from all activities.

Cash flow statement	30 Jun 2014 \$,000	30 Jun 2013 \$,000
Operating activities	(344)	(217)
Net increase (decrease) in cash held	(344)	(217)
Cash at beginning of financial year	1,325	1,542
Cash at end of financial year	981	1,325



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Budget to actual comparative statement of financial position for the year ended 30 June 2014

		Original Budget 30 June 2014	Actual 30 June 2014	Variance Budget to Actual
	Notes	\$000	\$000	\$000
Current Assets				
Cash and cash equivalents	1	654	981	327
Receivables		10	12	2
Other		10	31	21
Total Current Assets		674	1,024	350
Total Assets		674	1,024	350
Current Liabilities				
Payables		100	123	23
Accrued employee benefits	2	212	423	211
Total Current Liabilities		312	546	234
Total Liabilities		312	546	234
Net Assets		362	478	116
Equity				
Accumulated surplus		362	478	116
Total Equity		362	478	116

Explanatory notes for the budget to actual comparative statement of financial position

1 Cash and cash equivalents

Cash at bank balance was more at the end of the 2013-14 year than budgeted due to a lower operating deficit than budgeted.

2 Accrued employee benefits

Actual includes Local Commissioners' superannuation liability, not previously budgeted – refer to notes in the Financials Section.

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Budget to actual comparative statement of comprehensive income for the year ended 30 June 2014

		Original Budget 2013-2014	Actual 2013-2014	Variance Budget to Actual
	Notes	\$000	\$000	\$000
Income from Continuing Operations				
Revenue				
Grants and other contributions	1	3,165	3,349	184
Other revenue		30	60	30
Total Income from Continuing Operations		3,195	3,409	214
Expenses from Continuing Operations				
Employee expenses	2	2,667	2,752	85
Supplies and services	3	1,215	1,014	(201)
Other expenses		44	39	(5)
Total Expenses from Continuing Operations		3,926	3,805	(121)
Operating Result from Continuing Operations		(731)	(396)	335
Total Other Comprehensive Income		-	-	-
Total Comprehensive Income		(731)	(396)	335

Explanatory notes for the budget to actual comparative statement of comprehensive income

1 Grants and other contributions

Australian Government grants were \$0.1 Million more than budgeted.

3 Supplies and services

Savings were made in the areas of external corporate services and IT expenses.

2 Employee expenses

Actual includes Local Commissioners' superannuation liability, not previously budgeted – refer to notes in Financials Section.