

OUR PERFORMANCE — REVIEW OF OPERATIONS

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 2018-19 financial statements covering all aspects of the Commission's activities commences on page 82. These statements include explanatory notes and comparative figures for 2017-18.

Internal audits are performed by the Executive Officer (Finance) 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.

Operating result

The operating result for 2018-19 was a deficit of \$183,015. As at 30 June a Memorandum of Understanding between the Queensland and Australian Governments is still under negotiation in regard to Australian Government funding offered for a three year term from January 2019.

Summarised statement of comprehensive income

Summary Statement	30 Jun 2019 \$000	30 Jun 2018 \$000
Income	3,334	3,991
Less: expenses	3,517	3,811
Operating result for financial year – (deficit)/surplus	(183)	180

Income

The increase in State Government funding is due to the return of surplus funds of \$165,000 in 2017-18 together with a Consumer Price Index increase in 2018-19. The Australian Government provided funding only for the period July 2018 to December 2018 therefore a reduction on the prior year. The increase in other revenue is primarily due to the recoupment by the Commission of prior year expenditure of \$15,000 and an increase in interest received.

Income by type	30 Jun 2019 \$000	30 Jun 2018 \$000
State Government funding	1,744	1,522
Australian Government funding	900	1,800
Doomadgee funding - (QLD State)	626	626
Other revenue	64	43
Total	3,334	3,991

Expenses

Expenses by type	30 Jun 2019 \$000	30 Jun 2018 \$000
Employee expenses	2,586	2,716
Supplies and services	877	959
Depreciation and amortisation	14	96
Other expenses	40	40
Total	3,517	3,811

In anticipation of reduced funding for the financial year and to minimise the potential deficit, various measures were implemented including:

- process efficiencies
- extension of motor vehicle leases due to be renewed
- delaying ICT infrastructure upgrades (overdue)
- reduced staff training
- reduced staff travel to the communities (including by the FRC Commissioner)
- rationalisation of communication costs.

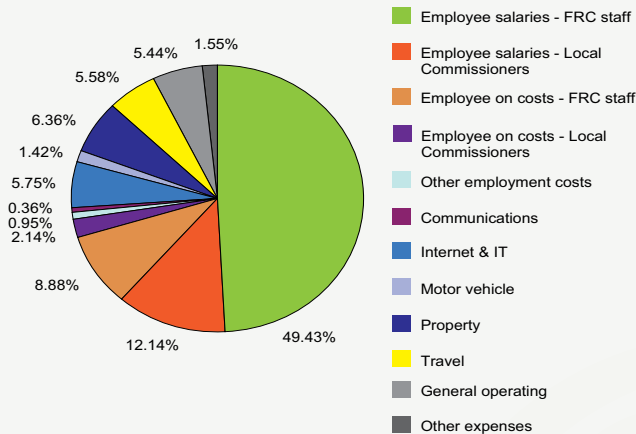
In addition, employee expenses decreased due to cancellations in scheduled conferencing in some communities, vacancies carried and the Deputy Commissioner appointment ending in December 2018.

Supplies and services costs also reduced due specifically to a reduction in consultancy engagements and temporary staff engagements. Depreciation and amortisation expenditure decreased as the Commission's Customer Relationship Management software was fully amortised in 2017-18.

OUR PERFORMANCE — REVIEW OF OPERATIONS



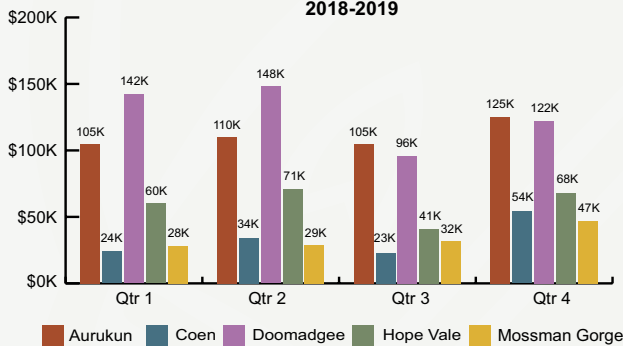
Total operating costs by category 2018-2019



Graph 8: Expenses by category and percentage of total expenditure 1 July 2018 to 30 June 2019.

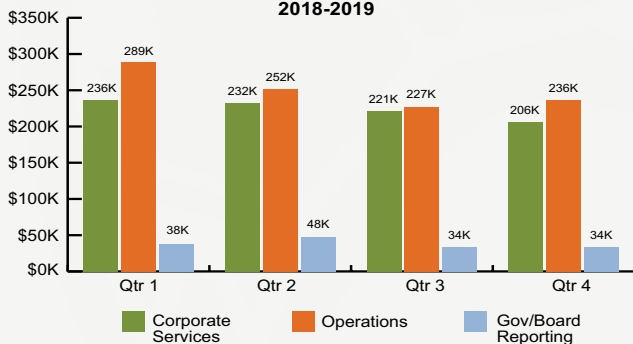
Remote location and Cairns registry expenditure

Quarterly operating costs by remote location 2018-2019



Graph 9: Quarterly operating costs by remote location 1 July 2018 to 30 June 2019.

Quarterly operating costs - Cairns registry 2018-2019



Graph 10: Quarterly operating costs, Cairns registry 1 July 2018 to 30 June 2019.

Statement of financial position

Total assets at 30 June 2019 consisted of current assets of cash, prepayments and receivables in addition to non-current plant and equipment.

Total liabilities as at 30 June 2019 consisted of payables and accrued employee benefits.

Statement of financial position	30 Jun 2019 \$000	30 Jun 2018 \$000
Current assets	1,747	1,900
Non-current assets	16	8
Total assets	1,763	1,908
Current liabilities	334	296
Total liabilities	334	296
Net assets	1,429	1,612
Total equity	1,429	1,612

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 2019 \$000	30 Jun 2018 \$000
Operating activities	(144)	270
Investing activities	(22)	(44)
Net (decrease)/increase in cash held	(166)	226
Cash at beginning of financial year	1,861	1,635
Cash at end of financial year	1,695	1,861