

# Review of financial performance



## Financial summary

The FRC is a statutory body under the *Family Responsibilities Act 2008* and for the purposes of the:

- *Financial Accountability Act 2009*
- *Financial and Performance Management Standard 2019*
- *Statutory Bodies Financial Arrangements Act 1982*.

This summary provides an overview of the FRC's financial performance for 2023-24 and a comparison to 2022-23. A comprehensive set of 2023-24 financial statements covering all aspects of the Commission's activities commences on page 91.

## Our overall performance

**Table 10: Summary of financial performance**

| Summary statement | 30 Jun 2024 | 30 Jun 2023 |
|-------------------|-------------|-------------|
|                   | \$000       | \$000       |
| Income            | 4,802       | 4,450       |
| Less: expenses    | 4,873       | 4,299       |
| Operating surplus | (71)        | 151         |

## Income

**Table 11: Summary of income by type**

| Income by type                | 30 Jun 2024  | 30 Jun 2023  |
|-------------------------------|--------------|--------------|
|                               | \$000        | \$000        |
| State Government funding      | 2,565        | 2,489        |
| Australian Government funding | 2,000        | 1,800        |
| Interest income               | 237          | 160          |
| Other income                  | 0            | 1            |
| <b>Total</b>                  | <b>4,802</b> | <b>4,450</b> |

The increase in funding is in line with the MoU signed between the FRC and the Australian and Queensland Governments on 9 August 2023. Interest income earned on the cash at bank balance increased year on year by \$77K due to higher interest rates and average cash balances in 2023-24.

## Expenses

**Table 12: Summary of expenses by type**

| Expenses by type              | 30 Jun 2024  | 30 Jun 2023  |
|-------------------------------|--------------|--------------|
|                               | \$000        | \$000        |
| Employee expenses             | 3,321        | 3,063        |
| Supplies and services         | 1,479        | 1,129        |
| Depreciation and amortisation | 12           | 53           |
| Finance/borrowing costs       | 8            | 7            |
| Other expenses                | 53           | 47           |
| <b>Total</b>                  | <b>4,873</b> | <b>4,299</b> |

Employee expenses represent 68% of the total expenditure in 2023-24 compared to 71% in 2022-23 even though there was an increase in employee expenses from \$3,063,000 in 2022-23 to \$3,321,000 in 2023-24. The increase of 8.4% from the prior year is in part attributable to the 4% wage increase and the Cost of Living Adjustment payment following the certification of the 2023 Core Agreement. Payments to Local Commissioners and Deputy Commissioner were also higher due to increased training, community engagement and additional resources required to support input into government submissions.

The increase in supplies and services relates to engaging temporary employment services to fill vacancies throughout the year, including the Registrar and Executive Officer (Corporate) roles. Increased levels of community engagement and training resulted in higher travel costs. Additional motor vehicle related costs were associated with the prolonged wet season causing delays in transitioning from old vehicles coming off lease to new vehicles.

The expenditure of the FRC can be categorised as follows:

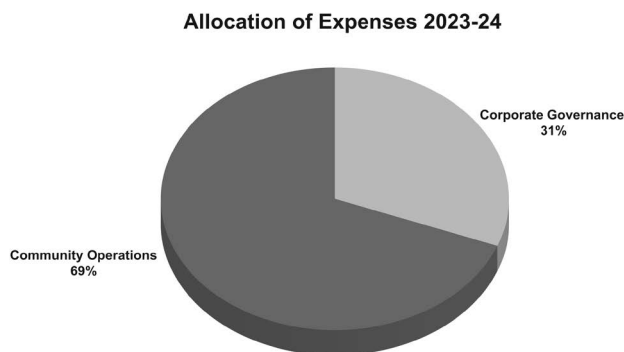
- **Community operations** – further broken down into:
- **On-the-ground community operational expenses** including the operational expenses in each of the five communities to conduct conferences and hearings, prepare and monitor case plans for clients for attendance at community support services and prepare and monitor income management orders and agreements.



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- Support and facilitation expenses** including costs associated with facilitating the holding of conferences and hearings in the five communities, providing support to the Local Commissioners and Local Registry Coordinators to hold conferences and hearings, assisting with the ongoing monitoring of case plans for clients through the provision of data and other information and processing income management orders and agreements.
- Corporate governance** includes finance, statistical reporting, corporate governance, compliance, information technology, training and other administrative functions to ensure the effective and efficient operations of the Commission.

The allocation of the FRC's costs in 2023-24 based on the above was:



**Graph 17: Allocation of expenses**  
1 July 2023 – 30 June 2024

These expenses can be further categorised as front-line and non-frontline in accordance with the Queensland Public Service Commission definitions.

Community operations and conference facilitation expenses are frontline expenses and are conducted on-the-ground in community by Local Registry Coordinators and Local Commissioners, and in the Cairns registry office to support the holding of FRC conferences and hearings across the five communities.

The Local Commissioners are paid sessional fees per Level 3 Adjudication and determination in accordance with the *Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies*. When engaged, the Local Commissioners could be holding conferences and/or hearings, serving notices, attending meetings, undertaking client engagement activities and professional development.

The work undertaken by the CM&M team in the Cairns registry includes duties which are undertaken to support conference prioritisation and scheduling and preparation of client records for consideration by the Local Commissioners, processing decisions made and preparing and monitoring case plans and/or income management orders and agreements. This work is essential to support the Local Commissioners when conferencing which is central to the FRC's role and could not be efficiently or easily undertaken in the communities themselves.

For 2023-24 **69% of FRC expenses were utilised to support frontline operations**, whilst 31% supported corporate governance.

## Our position

Total assets as at 30 June 2024 consisted of current assets of cash, prepayments and receivables in addition to non-current right-of-use assets.

Total liabilities as at 30 June 2024 consisted of payables, accrued employee benefits and lease liabilities.

**Table 13: Statement of financial position**

| Statement of financial position | 30 Jun 2024  | 30 Jun 2023  |
|---------------------------------|--------------|--------------|
|                                 | \$000        | \$000        |
| Total assets                    | 3,952        | 4,026        |
| <b>Total liabilities</b>        | <b>343</b>   | <b>346</b>   |
| Net assets                      | 3,609        | 3,680        |
| <b>Total equity</b>             | <b>3,609</b> | <b>3,680</b> |