



Oversight of the Family Responsibilities Commission

Report No. 76, 56th Parliament
Legal Affairs and Community Safety Committee
September 2020

Legal Affairs and Community Safety Committee

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Abbreviations

Annual Report	Family Responsibilities Commission Annual Report 2018-19
CIM	Conditional income management
Commission	Family Responsibilities Commission
Commissioner	The Family Responsibilities Commissioner
committee	Legal Affairs and Community Safety Committee
DATSIP	Department of Aboriginal and Torres Strait Islander Partnerships
DCSYW	Department of Child Safety, Youth and Women
DHPW	Department of Housing and Public Works
DJAG	Department of Justice and Attorney-General
DoE	Department of Education
EGC	Economics and Governance Committee
FRA	Family Responsibilities Agreement
FRB	Family Responsibilities Board
FRC	Family Responsibilities Commission
FRC Act	<i>Family Responsibilities Commission Act 2008 (Qld)</i>
Minister for Fire and Emergency Services and Minister for Aboriginal and Torres Strait Islander Partnerships	Honourable Craig Crawford MP, Minister for Fire and Emergency Services and Minister for Aboriginal and Torres Strait Islander Partnerships (from 12 May 2020)
Then Deputy Premier and Minister for Aboriginal and Torres Strait Islander Partnerships	Honourable Jackie Trad MP, Deputy Premier and Minister for Aboriginal and Torres Strait Islander Partnerships (12 December 2017 – 10 May 2020)
VIM	Voluntary income management

Chair's foreword

The Legal Affairs and Community Safety Committee has oversight responsibility for the Family Responsibilities Commission (FRC) under s 88 of the *Parliament of Queensland Act 2001* and Schedule 6 of the *Standing Rules and Orders of the Legislative Assembly*. Oversight responsibility for the FRC was transferred from the Economics and Governance Committee to the Legal Affairs and Community Safety Committee on 21 May 2020.

Standing Order 194A sets out the oversight functions of the committee in relation to the FRC. These include monitoring and reviewing the performance by the FRC of its functions, and examining each annual report of the FRC.

This report presents a summary of the Legal Affairs and Community Safety Committee's oversight of the FRC.

I commend this report to the House.

A handwritten signature in black ink, appearing to read 'Peter Russo', with a long horizontal stroke extending to the right.

Peter Russo MP

Chair

Recommendation

Recommendation

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The committee recommends that the House notes the contents of this report.

1 Introduction

1.1 This report

The Legal Affairs and Community Safety Committee prepared this report as part of its statutory oversight of the Family Responsibilities Commission (FRC or the Commission), with primary focus on the work of the FRC in the 2018-19 financial year.

1.2 The committee

The Legal Affairs and Community Safety Committee (committee) is a portfolio committee of the Legislative Assembly that commenced on 15 February 2018 under the *Parliament of Queensland Act 2001* and the Standing Rules and Orders of the Legislative Assembly.¹

The committee's primary areas of responsibility include:

- Justice and Attorney-General
- Police and Corrective Services
- Fire and Emergency Services
- Aboriginal and Torres Strait Islander Partnerships.

In addition to the FRC, the committee also has oversight responsibilities for the:

- Electoral Commissioner
- Information Commissioner
- Ombudsman
- Queensland Family and Child Commission.

1.3 Purpose and functions of the Family Responsibilities Commission

The FRC was established in 2008 under a partnership between the Australian and Queensland Governments and the Cape York Institute.² Its primary objectives, as set out in the *Family Responsibilities Commission Act 2008* (Qld) (FRC Act), are:

- to support the restoration of socially responsible standards of behaviour and local authority in welfare reform community areas
- to help people in welfare reform community areas to resume primary responsibility for the wellbeing of their community and the individuals and families of the community.³

Under the FRC Act, these objectives are to be achieved through the Commission holding conferences with community members about government agency notices, and dealing with the matters raised in those notices in a way that encourages community members to engage in socially responsible standards of behaviour, while promoting the interests, rights and wellbeing of children and other vulnerable persons living in the community.⁴

Operating in the five 'welfare reform communities' of Aurukun, Coen, Doomadgee, Hope Vale, and Mossman Gorge,⁵ the FRC's conference activities are triggered by its receipt of certain agency

¹ *Parliament of Queensland Act 2001*, s 88 and Standing Order 194.

² FRC, *Annual Report 2018-19*, p 14.

³ FRC Act, s 4.

⁴ FRC Act, s 4.

⁵ Family Responsibilities Commission Regulation 2014, s 2.

notifications, which provide advice that a person is not meeting pre-determined obligations.⁶ This includes notifications for:

- a failure to enrol or send a child to school
- convictions in the Magistrates, District and Supreme Courts
- child safety and welfare issues
- breaches of housing tenancy agreements
- domestic and family violence offences (except in Doomadgee, as the community did not support the implementation of this trigger).⁷

The conference panel is convened with either the Commissioner (or Deputy Commissioner) and two Local Commissioners, or with a panel of three Local Commissioners, with all Commissioners having equal authority in the decision-making process.⁸ At the conclusion of a conference, the commissioners must attempt to reach a unanimous decision on conference outcomes.⁹ Possible conference outcomes include:

- determining that no further action is necessary
- reprimanding the client and issuing a warning
- encouraging the client to enter into a Family Responsibility Agreement (FRA)
- directing the client to relevant support services, or
- placing the client on a conditional income management (CIM) order, with the effect that a certain proportion of the welfare income that is paid to a client (60, 75 or 90 percent) is managed by Centrelink for a period of between three and 12 months.¹⁰

CIM orders are issued as a last resort and are ‘primarily issued to stabilise a client’s circumstances, particularly where children or other vulnerable people are concerned’.¹¹ They may also be issued ‘where a client fails to attend two scheduled conferences, is not complying with their agreement or order, or the Commission is continuing to receive additional notices in relation to their behaviour’.¹² Regarding CIM orders, FRC Commissioner Tammy Williams explained:

*One of the better known features of the FRC is its ability to income-manage appropriate clients through the use of a BasicsCard. I cannot stress enough that this is only one of the tools available to local commissioners in restoring social responsibility in their communities. For instance, since the commencement of the commission, 37.4 per cent of clients have been subject to conditional income management orders and 5.9 per cent of clients have entered into a voluntary income management agreement. Out of the 905 clients who have been subjected to conditional income management, approximately 57 per cent are female and 42 per cent are male.*¹³

⁶ FRC, *Annual Report 2018-19*, p 20.

⁷ FRC Act, ss 40-44 and *Queensland Government Response to the Oversight of the Family Responsibilities Commission, Report No. 52, 55th Parliament, Infrastructure, Planning and Natural Resources Committee*, tabled 28 February 2018, p 1.

⁸ FRC, *Annual Report 2018-19*, p 21.

⁹ FRC Act, s 139(2).

¹⁰ FRC Act, ss 68-69; *Family Responsibilities Commission Annual Report 2018-19*, p 65.

¹¹ FRC, *Annual Report 2018-19*, pp 9, 22.

¹² FRC, *Annual Report 2018-19*, p 22.

¹³ Public briefing transcript, Brisbane, 25 November 2019, p 2.

Further, Ms Maxine McLeod, FRC Registrar, stated:

... the commissioners do prefer to use income management as an incentive rather than a disincentive. That is something that has developed over the 11 years, realising that it is much more effective to say, 'If you get your child to go to school 60 per cent of the time, we will reduce you from 90 down to 75.' That does tend to work.¹⁴

1.4 Committee's responsibilities regarding the Family Responsibilities Commission

Effective 21 May 2020, the oversight responsibility with respect to the FRC was transferred from the Economics and Governance Committee (EGC) to the committee.

To fulfil its oversight role in relation to the FRC, the committee is required to:

- monitor and review the performance by the FRC of its functions
- report to the Legislative Assembly on any matter concerning the FRC, including its functions and performance, that the committee wishes to draw to the Assembly's attention
- examine annual reports from the FRC and, if appropriate, comment on any aspect of the report
- report to the Assembly on any changes to the functions, structures and procedures of the FRC that the committee considers desirable for the more effective operation of the FRC or the FRC Act.¹⁵

1.5 The committee's process

In conducting its oversight functions of the FRC, the committee examined the 2018-19 Annual Report (Annual Report)(see section 2).

Prior to the transfer of the oversight responsibility to the committee, the EGC conducted an oversight briefing with Commissioner Tammy Williams and FRC staff on 25 November 2019. During the public briefing, Ms Williams identified four challenges facing the FRC:

- uncertainty surrounding the future of the FRC associated with the need for finalisation of both the Memorandum of Understanding between the Australian and Queensland governments and reviews and assessments in relation to the local Thriving Communities policy agenda
- the need for clear and consistent information for community members regarding the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019, which, if passed, would result in changing the BasicsCard currently used for income management to a cashless debit card
- the appointment process of Local Commissioners, particularly the eligibility requirements for Local Commissioners, requires review (for example, the FRC Act disqualifies a person from being a Local Commissioner on the basis of being the subject of a FRA)
- the need for the FRC or a similar body to have a mechanism to influence the quality of support services available to clients and to ensure there is reliable reporting back to Local Commissioners for enhanced case management.¹⁶

¹⁴ Public briefing transcript, Brisbane, 25 November 2019, p 9.

¹⁵ Standing Order 194A.

¹⁶ Public briefing transcript, Brisbane, 25 November 2019, pp 2-3.

2 Review of Annual Report 2018-2019

2.1 Tabling requirements

When tabling the Annual Report, the Deputy Premier also tabled a letter from the Director-General of the Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP) and Chair of the Family Responsibilities Board (FRB), Dr Chris Sarra, advising that Dr Sarra declined to formally endorse the Annual Report.¹⁷ The tabled letter enclosed a proposed introductory statement for the report written by Dr Sarra in his role as the Chair of the FRB, which he had requested be included in the report.¹⁸ The requested inclusion was rejected by the FRC.¹⁹ Dr Sarra's letter states that he is of the opinion that:

*... the Annual Report does not adequately outline the position of the Queensland Government regarding its commitment to the FRC, including the value placed on the role of the FRC and the important work of the Local Commissioners. The inclusion of statements along these lines, as was suggested by the Queensland Government, could have assuaged some of the concern about the future of the FRC which is presented in the Annual Report.*²⁰

Further, Dr Sarra stated that he considered the Annual Report:

*... does not sufficiently reflect the agreement of the Welfare Reform Partners - the Queensland and Commonwealth Governments and Cape York Institute - to review and evolve the FRC to increase the focus on local leadership and decision making.*²¹

2.2 Overview

The Annual Report complies with the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2009, and Australian Accounting Standards – Reduced Disclosure Requirements.²²

The Annual Report reported on outcomes against a number of performance and activity measures for the year, including providing information on:

- key organisational performance measures:
 - the number and type of agency notices dealt with
 - the number of conferences held
 - conference outcomes, including the number of service referrals, FRAs and CIM orders
- the financial performance and staffing of the FRC.

The Annual Report also outlined concerns about the future of the FRC, amid ongoing uncertainty as to the impact of the Thriving Communities reforms on the FRC's activities, and a lack of forward

¹⁷ Correspondence dated 20 March 2020 from Dr Chris Sarra, Director-General, DATSIP to the then Deputy Premier and Minister for Aboriginal and Torres Strait Islander Partnerships, p 1.

¹⁸ Correspondence dated 20 March 2020 from Dr Chris Sarra, Director-General, DATSIP to the then Deputy Premier and Minister for Aboriginal and Torres Strait Islander Partnerships, p 1.

¹⁹ Correspondence dated 20 March 2020 from Dr Chris Sarra, Director-General, DATSIP to the then Deputy Premier and Minister for Aboriginal and Torres Strait Islander Partnerships, p 1.

²⁰ Correspondence dated 20 March 2020 from Dr Chris Sarra, Director-General, DATSIP to the then Deputy Premier and Minister for Aboriginal and Torres Strait Islander Partnerships, p 1.

²¹ Correspondence dated 20 March 2020 from Dr Chris Sarra, Director-General, DATSIP to the then Deputy Premier and Minister for Aboriginal and Torres Strait Islander Partnerships, p 1.

²² FRC, *Annual Report 2018-19*, p 104.

commitments for funding.²³ Former Commissioner Glasgow cited a number of sources in support of the ongoing operations of the FRC, arguing that the 'Commission and Local Thriving Communities could work side by side as they have different and distinct functions which could complement each other'.²⁴

2.3 Agency notices

Under the FRC Act, relevant Queensland departments are obliged to notify the FRC when a community member is not meeting pre-determined obligations.²⁵ The FRC receives agency notices for the communities of Aurukun, Coen, Hope Vale and Mossman Gorge in the following circumstances:

- The Department of Education (DoE) must submit a School Attendance notice to the FRC if a child is absent for three full, or part days of a school term without reasonable excuse, or submit a School Enrolment notice where a child of compulsory school age is not enrolled to attend school.
- The Department of Child Safety, Youth and Women (DCSYW) must submit a Child Safety and Welfare notice where the Chief Executive becomes aware of an allegation of harm or risk to a child.
- The Department of Justice and Attorney-General (DJAG) must submit a Court Offence notice if a person is convicted of an offence, or if a domestic violence protection order is made against a person.
- The Department of Housing and Public Works (DHPW) or the provider of social housing must submit a Tenancy Breach notice if the tenant has breached their social housing tenancy agreement.²⁶

The FRC receives agency notices for the community of Doomadgee from the DoE and the DCSYW only.²⁷ In the Annual Report, Doomadgee Local Commissioners stated:

*'We would like more triggers other than Education (school attendance and school enrolment related matters) and Child Safety and Welfare notices. In particular we would like to receive notices for tenancy violations and domestic violence incidents'.*²⁸

Once an agency notice is received, the FRC determines whether the person notified is within the jurisdiction of the Commission in accordance with the FRC Act.²⁹ In this regard, the Annual Report provides:

*Indigenous and non-Indigenous people living in the welfare reform communities receiving welfare or community employment program payments are subject to the Commission's jurisdiction. Jurisdiction continues if the individual relocates from the community.*³⁰

Section 7 of the FRC Act defines a community member as being a person who is a welfare recipient and who also either lives in one of the five welfare reform communities or who has lived there for a period of at least three months. If a matter is deemed to be within the FRC's jurisdiction, it is referred to the Local Commissioners for a decision as to whether the client should attend a conference and whether other associated persons should be invited to attend the conference.³¹

²³ FRC, *Annual Report 2018-19*, pp 10-12.

²⁴ FRC, *Annual Report 2018-19*, p 12.

²⁵ FRC Act, ss 40-44.

²⁶ FRC, *Annual Report 2018-19*, pp 20-21.

²⁷ FRC, *Annual Report 2018-19*, p 20.

²⁸ FRC, *Annual Report 2018-19*, p 43. And see also p 2, fn 7.

²⁹ FRC, *Annual Report 2018-19*, p 21.

³⁰ FRC, *Annual Report 2018-19*, p 15.

³¹ FRC, *Annual Report 2018-19*, p 21.

In 2018-19, the FRC reported that the number of within-jurisdiction notices increased to 5,670, up from 5,588 in 2017-18.³² The Annual Report advised that the majority of notices received were School Attendance notices (3,666), followed by Magistrate Court notices (1,446), notices regarding domestic violence offences (329) and Child Safety and Welfare notices (177).³³

Of those clients who received a notice in 2018-19, 26.7 percent received more than five agency notices, down from 29.2 percent in 2017-18.³⁴ At the public briefing, Commissioner Tammy Williams stated:

*... the majority of current FRC clients, being approximately 76 per cent, are the subject of multiple agency notices that brings them to the attention of the FRC. This highlights the complex socio-economic needs of clients living in remote Aboriginal communities that require sophisticated responses. The FRC is currently exploring ways it can enhance its case management practices with a greater coordination, information exchange and accountability of service providers and other entities.*³⁵

2.3.1 School Attendance and Enrolment notices

School Attendance notices increased from 3,599 in 2017-18 to 3,666 in 2018-19.³⁶ The Annual Report stated:

*Official school attendance data published for term 2 2019 by DoE for selected Aboriginal and Torres Strait Islander communities (combined, primary and secondary) showed that of 53 statistical attendance rates, only 13 showed improvement from the 2018 term 2 statistics. Considerable occurrences of sorry business have had a significant impact on school attendance in Doomadgee and Aurukun and have provided a great challenge for Commissioners, school administrators and educators.*³⁷

School Enrolment notices decreased by 31.8 percent, from 22 in 2017-18, down to 15 in 2018-19.³⁸ However, the Annual Report advised:

*While the percentage decrease in notices seems significant, they represent a reduction in the number of notices that is not unusual from year to year. For example, the decrease of 31.8 percent for School Enrolment notices only related to a reduction of 7 notices.*³⁹

³² FRC, *Annual Report 2018-19*, p 56.

³³ FRC, *Annual Report 2018-19*, pp 46, 54.

³⁴ FRC, *Annual Report 2018-19*, p 57; FRC, *Annual Report 2017-18*, p 62.

³⁵ Public briefing transcript, Brisbane, 25 November 2019, p 3.

³⁶ FRC, *Annual Report 2017-18*, p 60; FRC, *Annual Report 2018-19*, p 55.

³⁷ FRC, *Annual Report 2018-19*, p 53.

³⁸ FRC, *Annual Report 2017-18*, p 59; FRC, *Annual Report 2018-19*, pp 54, 56.

³⁹ FRC, *Annual Report 2018-19*, p 56.

2.3.2 Court notices

The FRC reported that no Supreme Court notices were received in 2018-19, compared with one Supreme Court notice received by the FRC in the previous reporting period.⁴⁰ The number of District Court notices received fell in 2018-19 to 24 from 95 in 2017-18, a fall of 74.7 percent.⁴¹ The number of Magistrates Court notices received in 2018-19 increased from 1,344 in 2017-18 to 1,446 in 2018-19.⁴² The Annual Report explained that FRC enquiries to the Queensland Police Service had revealed that the fluctuations may be attributable to:

- variation in Queensland Police Service staffing levels, particularly in Aurukun and Hope Vale, which recorded decreases of 31 and 29 District Court notices respectively from the previous year
- a higher number of guilty pleas in the Magistrates Court, which may have affected the number of matters being referred to the District Court
- Hope Vale police reporting positive engagement with community youth that had reduced juvenile offending for most of the year (the Annual Report noted, however, that offending could often be affected by the presence or absence of particular individuals)
- the impact of disaster relief payments, which may have contributed to an increase in alcohol-related offences in some communities, possibly leading to more Magistrates Court notices.⁴³

2.3.3 Domestic Violence Offence notices

The FRC reported that the number of Domestic Violence Breach notices rose to 111 in 2018-19, up from 100 in 2017-18, an increase of 11 percent.⁴⁴ The number of Domestic Violence Order notices fell 6.8 percent in 2018-19 to 218, down from 234 in 2017-18.⁴⁵

2.3.4 Child Safety and Welfare notices

Child Safety and Welfare notices were down 15.7 percent on the previous period, from 210 in 2017-18 to 177 in 2018-19.⁴⁶ An 83 percent decline in Child Safety and Welfare notices received for Doomadgee prompted the FRC to seek clarification from DCSYW, and from the DoE for School Enrolment notices.⁴⁷ Departmental advice to the FRC 'revealed that some notices which should have been sent to the FRC may have been overlooked due in part to administrative issues and changes in staffing'.⁴⁸

2.3.5 Housing Tenancy notices

The FRC reported that the total number of Housing Tenancy notices decreased by 45.8 percent, from 24 in 2017-18 to 13 in 2018-19.⁴⁹ The Annual Report advised that 'DHPW attribute the reduction of 11 Housing Tenancy notices to work teams negotiating with customers to resolve matters prior to the issue of breaches'.⁵⁰

⁴⁰ FRC, *Annual Report 2018-19*, p 55; FRC, *Annual Report 2017-18*, p 60.

⁴¹ FRC, *Annual Report 2018-19*, p 56.

⁴² FRC, *Annual Report 2018-19*, p 56.

⁴³ FRC, *Annual Report 2018-19*, p 56.

⁴⁴ FRC, *Annual Report 2017-18*, p 60; FRC, *Annual Report 2018-19*, p 55.

⁴⁵ FRC, *Annual Report 2018-19*, p 55; FRC, *Annual Report 2017-18*, p 60.

⁴⁶ FRC, *Annual Report 2017-18*, p 60; FRC, *Annual Report 2018-19*, pp 54, 56.

⁴⁷ FRC, *Annual Report 2018-19*, p 56.

⁴⁸ FRC, *Annual Report 2018-19*, p 56.

⁴⁹ FRC, *Annual Report 2017-18*, p 60; FRC, *Annual Report 2018-19*, pp 55-56.

⁵⁰ FRC, *Annual Report 2018-19*, p 56.

2.4 Conferences

Operational highlights noted in the 2018-19 Annual Report include that Local Commissioners conducted 96.9 percent of conferences without the presence of either the Commissioner or, prior to 31 December 2018, the Deputy Commissioner.⁵¹ This compares with 72.15 percent in 2017-18 and 36.31 percent in 2016-17.⁵² The Annual Report noted:

*The steady increase in the number of conferences conducted independently is evidence of the Local Commissioners achieving one of the primary objects of the FRC Act—the restoration of local Indigenous authority.*⁵³

2.4.1 Conferences held

In 2018-19, the FRC held 2,682 conferences, of which 60.6 percent were attended by clients.⁵⁴ Of the conferences that were not attended, in 27.6 percent of cases the non-attendance was for reasons considered acceptable by the FRC.⁵⁵

As a point of comparison, in 2017-18, the number of conferences held was 2,539, and the proportion of conferences that were not attended for acceptable reasons was 27 percent.⁵⁶ These are both broadly consistent with the figures above. However, the attendance rate for conferences in 2017-18 was higher, at 66 percent.⁵⁷ The Annual Report attributes the fall in attendance in 2018-19 to:

- Cyclone Ann, Cyclone Trevor and heavy rain and flooding
- ambiguity around the future of the FRC, which has led to the perception among community members that the FRC is closing.⁵⁸

As a subset of the total number of conferences conducted for 2018-19, 295 conferences were held in relation to domestic violence related matters, up from 278 in 2017-18.⁵⁹

2.4.2 Conference outcomes

Conferences during 2018-19 resulted in 20 FRAs being entered into, 70 orders made to attend community support services, and 233 CIM orders issued.⁶⁰ This compares to 14 FRAs, 107 orders to attend community support services, and 233 CIM orders in 2017-18.⁶¹

2.4.2.1 Referrals

A possible outcome of a conference is that a client is put on a case-plan and referred to a support service such as:

- Wellbeing Centres to address alcohol and/or drug misuse, gambling, domestic violence or social health related issues

⁵¹ FRC, *Annual Report 2018-19*, p 52.

⁵² FRC, *Annual Report 2017-18*, p 59.

⁵³ FRC, *Annual Report 2018-19*, p 52.

⁵⁴ FRC, *Annual Report 2018-19*, p 57.

⁵⁵ FRC, *Annual Report 2018-19*, p 57.

⁵⁶ FRC, *Annual Report 2017-18*, p 62.

⁵⁷ FRC, *Annual Report 2017-18*, p 62.

⁵⁸ FRC, *Annual Report 2018-19*, p 52.

⁵⁹ FRC, *Annual Report 2018-19*, p 57; FRC, *Annual Report 2017-18*, p 62.

⁶⁰ FRC, *Annual Report 2018-19*, p 57.

⁶¹ FRC, *Annual Report 2017-18*, p 62.

- Parenting Programs to assist in implementing good parenting practices
- MPower, a money management program, to assist with budgeting and meeting priority financial needs
- Student Case Managers to assist parents to ensure children attend school
- other appropriate support services.⁶²

The FRC considers referrals to service providers to be ‘an integral part of achieving the Commission’s strategic outcomes of improved community wellbeing and improved community responsibility’.⁶³ The Annual Report stated that during the financial year, 81 referrals, including orders to attend support services and FRAs, were made to service providers for 73 clients.⁶⁴ This number of referrals to service providers represents an overall 33.6 percent decrease from 2017-18.⁶⁵ Referrals to support services increased in Coen and remained consistent in Mossman Gorge and Doomadgee.⁶⁶ Aurukun recorded a decrease of 79.5 percent while Hope Vale was down by 75 percent.⁶⁷

As a subset of the total number of referrals in 2018-19, 17 referrals were made in relation to domestic violence matters, down from 43 in 2017-18, a decrease of 60.5 percent.⁶⁸

The Annual Report advised that Local Commissioners report being reluctant to refer clients to support services for several reasons, including:

- new referrals to parenting programs were suspended during the period of transition of the service from Cape York Partnership to Aboriginal and Torres Strait Islander Family Wellbeing Services, administered by DCSYW
- referrals to Apunipima Cape York Health Council were affected by staff shortages, management changes and other operational challenges
- some key service providers have not provided client progress reports for much of the year, hampering Local Commissioners’ ability to hold clients to account and leaving Local Commissioners lacking confidence in the levels of service being provided to referred clients.⁶⁹

The Annual Report explained that where adequate levels of service are not being provided, Local Commissioners seek referrals to agencies that are not specifically funded to service FRC clients or obliged to report back to the FRC, and regularly reschedule clients for conference as an informal way to check progress and case-manage clients.⁷⁰ The Annual Report stated that ‘Local Commissioners also continue to use strategies such as aligning school attendance goals with changes to income management percentage, rather than putting clients on a case plan’.⁷¹

⁶² FRC, *Annual Report 2017-18*, p 22.

⁶³ FRC, *Annual Report 2018-19*, p 58.

⁶⁴ FRC, *Annual Report 2018-19*, p 58.

⁶⁵ FRC, *Annual Report 2018-19*, p 58.

⁶⁶ FRC, *Annual Report 2018-19*, p 58.

⁶⁷ FRC, *Annual Report 2018-19*, p 58.

⁶⁸ FRC, *Annual Report 2018-19*, p 59; FRC, *Annual Report 2017-18*, p 64.

⁶⁹ FRC, *Annual Report 2018-19*, p 58.

⁷⁰ FRC, *Annual Report 2018-19*, p 58.

⁷¹ FRC, *Annual Report 2018-19*, p 58.

2.4.2.2 Case management monitoring

The FRC reported that as at 30 June 2019, 73 clients were being case managed through active case plans pertaining to referrals, down 27.7 percent when compared with the same time point in 2018, when 101 clients were being case managed through active case plans pertaining to referrals.⁷²

The Annual Report advised that the lack of client progress reports from some key support services ‘impedes the effectiveness of case plan referrals’.⁷³

2.4.2.3 Conditional income management

The FRC regards CIM as a ‘flexible tool used by Commissioners to improve the welfare of children by encouraging families to ensure basic household needs are met and to encourage consistency in school attendance’.⁷⁴ Commissioners also issued CIM orders to a number of clients who consistently did not attend conference without an acceptable excuse.⁷⁵

During 2018-19, 233 CIM orders were issued to 176 clients, which equates to 7.3 percent of clients.⁷⁶ The FRC issued the same number of CIM orders in 2017-18 to 179 clients, which equated to 7.7 percent of clients.⁷⁷ As at 30 June 2019, 140 clients were subject to a current CIM order, which equates to 5.8 percent of clients on a CIM order at that point in time.⁷⁸ This is down from the same point in the previous reporting period, when 141 clients (6.1 percent of clients) were subject to a current CIM order.⁷⁹

As a subset of the total number of CIM orders in 2018-19, 22 CIM orders were made in relation to domestic violence matters, down from 28 in 2017-18.⁸⁰

In 2018-19, 34.2 percent of CIM clients had CIM orders revoked or reduced, down slightly from 34.5 percent in 2017-18.⁸¹

The Annual Report advised that since the FRC’s inception in 2008 to 30 June 2019, a total of 37.4 percent of the FRC’s clients had been subject to CIM.⁸²

2.4.3 Voluntary income management

FRC clients can voluntarily enter into an agreement for income management.⁸³ In 2018-19, the FRC ‘renewed its focus on raising awareness about Voluntary Income Management within communities’, which the Annual Report advised was ‘a practical option for all welfare reform community members to help manage their finances’.⁸⁴

⁷² FRC, *Annual Report 2018-19*, p 60; FRC, *Annual Report 2017-18*, p 65.

⁷³ FRC, *Annual Report 2018-19*, p 60.

⁷⁴ FRC, *Annual Report 2018-19*, p 60.

⁷⁵ FRC, *Annual Report 2018-19*, p 60.

⁷⁶ FRC, *Annual Report 2018-19*, p 60.

⁷⁷ FRC, *Annual Report 2017-18*, p 64.

⁷⁸ FRC, *Annual Report 2018-19*, p 60.

⁷⁹ FRC, *Annual Report 2017-18*, p 64.

⁸⁰ FRC, *Annual Report 2018-19*, p 60; FRC, *Annual Report 2017-18*, p 65.

⁸¹ FRC, *Annual Report 2018-19*, p 54.

⁸² FRC, *Annual Report 2018-19*, p 60.

⁸³ FRC Act, s 106.

⁸⁴ FRC, *Annual Report 2018-19*, p 60.

The Commission processed 20 voluntary income management (VIM) agreements in 2018-19, up from 14 VIM agreements in 2017-18.⁸⁵

2.4.4 Show cause notices

Under the FRC Act, the Commissioner can issue a show cause notice to a client if the Commissioner reasonably believes that client has not complied with a requirement under a case plan to attend a community support service.⁸⁶ The client (or their representative) has the right to speak on their own behalf at a conference with the Commissioner and two Local Commissioners regarding the proposed action.⁸⁷

The FRC reported that no show cause hearings were held in 2018-19, down from two in 2017-18.⁸⁸ The Annual Report advised:

*Although the show cause process remains available as a tool for Local Commissioners, the increase of the maximum rate for income management in 2014 to 90 percent has effectively superseded the show cause process.*⁸⁹

2.4.5 Amend or end applications

Under the FRC Act, FRC clients may apply to amend or end a Commission order or agreement.⁹⁰ The Annual Report advised that:

The Commission views applications to amend or end agreements or orders as an indicator of client confidence in the Commission's ability to provide a fair, just and equitable process.

...

*Commissioners continue to use applications to amend or end income management as a way of encouraging attendance and to incentivise overall behaviour change.*⁹¹

In 2018-19, the Commission granted 63 percent of the 56 applications to amend or end an agreement or order it received.⁹² This compares with the Commission's granting of 55 percent of the 62 applications to amend or end an agreement or order received in 2017-18.⁹³

2.5 Financial Performance

The Annual Report advised that the FRC's operating result for the financial year was a deficit of \$183,015.⁹⁴ This followed a surplus of \$180,294 in 2017-18.⁹⁵

While expenses declined, from \$3.811 million in 2017-18 to \$3.517 million in 2018-19, the decline in income for the FRC for 2018-19 was greater—from \$3.991 million in 2017-18 to \$3.334 million in 2018-19.⁹⁶ This was due primarily to a reduction in funding received from the Commonwealth Government,

⁸⁵ FRC, *Annual Report 2018-19*, p 60.

⁸⁶ FRC Act, s 82.

⁸⁷ FRC Act, ss 83-85.

⁸⁸ FRC, *Annual Report 2018-19*, p 61; FRC, *Annual Report 2017-18*, p 65.

⁸⁹ FRC, *Annual Report 2018-19*, p 61.

⁹⁰ FRC Act, s 97.

⁹¹ FRC, *Annual Report 2018-19*, p 61.

⁹² FRC, *Annual Report 2018-19*, p 61.

⁹³ FRC, *Annual Report 2017-18*, p 66.

⁹⁴ FRC, *Annual Report 2018-19*, p 62.

⁹⁵ FRC, *Annual Report 2017-18*, p 10.

⁹⁶ FRC, *Annual Report 2018-19*, p 62.

from \$1.8 million in 2017-18 to \$900,000 in 2018-19.⁹⁷ The Annual Report explained that that reduction was due to the Commonwealth Government's providing funding only for the period of July 2018 to December 2018.⁹⁸

The reported increase in state government funding from \$1.522 million in 2017-18 to \$1.744 million in 2018-19 was attributed in the Annual Report to the return of \$165,000 in surplus funds in 2017-18 together with a Consumer Price Index increase in 2018-19. The Annual Report advised that the increase in other revenue was primarily due to the recoupment by the FRC of prior year expenditure of \$15,000, and an increase in interest received.⁹⁹

Employee expenses accounted for approximately \$2.59 million or 73.5 percent of the FRC's expenditure in 2018-19, compared with \$2.72 million or 71.3 percent of expenses in 2017-18. The Annual Report advised that employee expenses decreased in 2018-19 due to cancellations in scheduled conferencing in some communities, vacancies carried, and the conclusion of the Deputy Commissioner's appointment in December 2018.¹⁰⁰

The Annual Report stated that, 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 Commissioner)
- rationalisation of communication costs.¹⁰¹

Supplies and services costs also reduced due to a reduction in consultancy engagements and temporary staff engagements—from \$959,000 in 2017-18 down to \$877,000 in 2018-19. Depreciation and amortisation expenditure decreased from \$96,000 in 2017-18 to \$14,000 in 2018-19 'as the Commission's Customer Relationship Management software was fully amortised in 2017-18'.¹⁰²

⁹⁷ FRC, *Annual Report 2018-19*, p 62.

⁹⁸ FRC, *Annual Report 2018-19*, p 62.

⁹⁹ FRC, *Annual Report 2018-19*, p 62.

¹⁰⁰ FRC, *Annual Report 2018-19*, p 62.

¹⁰¹ FRC, *Annual Report 2018-19*, p 62.

¹⁰² FRC, *Annual Report 2018-19*, p 62.

3 Committee comment

The committee recognises the extremely challenging nature of many of the issues being examined by the FRC and the volume of work undertaken by the FRC. The committee also commends the FRC for the professional and considered approach that it takes in the discharge of its functions.

Recommendation

The committee recommends that the House notes the contents of this report.