



Annual Report 2002–2003



**Conflict Resolution
Service**

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Executive Committee as at 30 June 2003

Mary Hinchey President

Margaret Gath Vice-president

Annette Crotty Secretary

Christine Harrison Treasurer

Simon Bronitt Committee Member

Purnima Gurung Committee Member

Marie-Noelle Cure Committee Member

Carolyn Joyce Committee Member

History

The vision to establish the Service commenced in the mid-1980's following the successful development of the Community Justice Centres in NSW. ACT Government funding was received in 1989, and shortly afterwards in 1990, the Conflict Resolution Service was registered as a business and began working from Acton House in ACTON.

In the 1990's, CRS was a major player in the national mediation scene, stimulating national approaches to community mediation and developing competency standards. The Service provides information and referral, community mediation, community education and the delivery of a nationally accredited training course.

Mission

To empower individuals to understand their differences and resolve conflicts peacefully, by providing a skilled and accessible dispute resolution service.

The strong emphasis on providing a framework for people to resolve their own conflict was at the heart of CRS from the beginning, and continues to influence the vision and mission of the Service today.

Similar services exist in most Australian states. These include the Community Justice Centres in NSW, the Dispute Settlement Centre in Victoria, the Community Mediation Service in South Australia, the Dispute Resolution Centre in Queensland and the Tasmanian Community Mediation Service.

Vision

The community organization known for the quality of its services and its role in making conflict resolution skills and processes an accepted part of everyday life.

Values

- Community based and community serving
- Transparent, fair and co-operative

- Respectful of individual differences and choices
- Empowering the individual and the community
- Accessible, affordable and inclusive.

Key objectives

- To promote co-operative dispute resolution values and techniques in the community through training and community education programs.
- To establish and operate a professional, accessible, confidential and low cost conflict resolution service to assist in the resolution of disputes for the ACT community without discrimination.

Practice

- Mediators are drawn from the general community to ensure that mediators reflect the diversity of the community and can relate to the life experience of parties.
- Co-mediation is the model of service delivery aimed at ensuring that the mediators are perceived as neutral and impartial.

President's report

Thank you to all the staff and members of CRS who have all ensured that CRS continues to provide an accessible and professional mediation service to the Canberra community. Filomena Colavecchio, our Executive Officer, has in this past year, provided the vision, strategic thinking and sheer hard work to enable CRS to provide relevant and innovative dispute resolution services to the ACT community now and into the future.

Thank you also to Carol Hibberson (Dispute Assessment Officer), David Hopkins (Project Officer/Outreach worker), David Purnell (Training Coordinator and Mediator Supervisor), Heather Powell (Information Officer), Gaby Hoffmeuller (Bookkeeper), Sameeta Prakesh and Caroline Charles (Admin. Assistant/Relief Intake), Sue Sheridan and Russell Whitewood (Mediator Supervisors), Nancy Miller (Staff Supervisor), Stephen Hodgkin and Jill Crisp (Database Developers) and to all the mediators who share the process of mediation with the clients of CRS.

Thank you also to our funding bodies, the ACT Department of Disability, Housing and Community Services and the ACT Department

of Justice and Community Safety for their continuing partnership with CRS. The funding bodies commitment to ensuring that the Canberra community receives the full benefit of our Service has been outstanding.

At the beginning of 2003, the CRS Management Committee and the Executive Officer invited RPR Consultants to assist CRS work towards transforming itself into a 'Board'. This was an investment in the future to enable CRS to be 'governed' using a best practice model of governance.

I would like to thank the Board members for their commitment to this governance model and their working towards its full implementation and associated proposed Constitutional changes for the 2004 AGM.

On a more personal note, one of the proposed Constitutional changes will be that the Chair of the Board cannot be an active mediator with CRS. With this in mind, I decided to follow through on my commitment to governance and stood down as Chair in August 2003.

Mary Hinchey

Treasurer's report

Once again, CRS had very sound financial performance during 2002/2003 finishing the year with a very small deficit. The deficit was recovered by subsequently obtaining a small grant for this period. Similarly, we expect a balanced budget for the 2003/2004 financial period and feel very confident about the future with a three-year funding commitment from our main funding provider, the ACT Department of Disability, Housing and Community Services. The three-year funding assists in making long term financial planning for the organization much easier.

With the Board's focus on improving its knowledge of governance, the focus has been on monitoring financial performance against budget and to ensure that financial reporting assists the Board to fulfill its particular financial responsibilities (rather than getting involved with day to day financial matters). This task has been made much easier because of the experience and professionalism of Gaby Hoffmueller (external Book-keeper) and Filomena Colavecchio, both of whom have a very sound grasp of the organisation's finances.

I believe that Conflict Resolution Service can look forward to a financially secure future.

Christine Harrison

Advocacy, framework issues, early intervention, infrastructure and connectedness have been a high priority throughout the year.

Government policy and programs (such as, the Department of Justice and Community Safety Strategic Plan for 2003–2005 and the Linkages Program ACT Housing) highlight government's intention to support the development of new pathways to conflict resolution through partnerships and coordinated service delivery networks.

CRS commitment to this work has focused on advocacy and representation through:

- developing a crime prevention partnership with the AFP for a neighbourhood early intervention program aimed at diversion from the criminal justice system and at reducing the number of police call outs to neighbourhood disputes where no offence has been committed
- working with the ACT Magistrates Court to ensure that appropriate referrals are made from ACT Magistrates Court to mediation services in the ACT
- participating as a member of the ACT Protection Orders Legislation Review Committee, and
- providing assertive mediation outreach to disputing parties and community education to government housing complexes.

Framework systemic approaches have been incorporated in 'rethinking' CRS's Governance policy. The Board has found that bottom up and top down distinctions have not been useful and have sought to adopt collaborative processes that build upon consensus across all levels. Board members have also been informed by the Raising the Standard training.

Early intervention work has necessitated a strong emphasis on the educative and preventative role of the Dispute Assessment Officer and the Outreach Worker.

The development of a new intake and management information system using the computer package Filemaker Pro is expected to be operational in the new year. The new system will simplify the day to day work of the Dispute Assessment Officer and make reporting to our funding more effective. CRS also obtained additional one-off funding to replace existing furniture. New technologies were also purchased during the period to support the expansion of our Service.

Connectedness with other service providers has been enhanced this year. This has served to create more value for our clients and to widen horizons for the Service through:

- creating new pathways with similar service providers such as the Commonwealth PDR Partnership operated by Relationships Australia, Marymead Child and Family Centre and Centacare
- hosting regular Neighbourhood Dispute Management Forums
- developing effective collaborative relationships with ACT Housing Specialist Managers and ACT Housing Managers, and
- working jointly with other service providers, such as YWCA and the Community Services, in delivering community education to housing communities.

Interconnectedness of staff and members has been achieved by building in professional supervision for staff and the panel of mediators, all of which have helped create a supportive and spiritually rich work environment. CRS representation at various meetings, workshops and conferences includes: Raising the Standard training; ACT Police Multicultural Board meeting; National Association of Dispute Resolution Council (NADRAC) Conference 2003; National Association of Community Legal Centres (NACLC) Conference; Peace Justice and Community Conference 2003 and the UN Dialogue Among Civilisations Forum. These forums provided wonderful opportunities

for networking with other dispute resolution providers around Australia and overseas.

CRS has been very much heartened by the recent three-year funding commitment from the Department of Disability, Housing and Community Services and the extension of the Mobile mediation service pilot to June 2004. There has been an outstanding commitment from the small CRS team, the Board and the remarkable pool of mediator expertise on the panel. This will enable CRS to continue to build on the exciting momentum generated this year, in creating and sustaining more peaceful communities in the Canberra region.

Executive Officer



Panel of registered mediators

Mediators registered as mediators under Section 7 of the *Mediation Act (1997)* during the period 1 July 2002–30 June 2003.

Mediator	Background	Language spoken	Mediator	Background	Language spoken
Nigel Biginell	Airforce		Shobha Joseph	Counsellor/administration	
Geoffrey Blackert	Chaplaincy		Jennifer Lemon	Administration	
Tim Chadwick	Mediation, Facilitation, Legal		Elizabeth Mckenzie	Tribunal member	
Jeff Chandler	Counselling		Anthony Melican	Public servant	
Caroline Charles	Student		Sarah Morris	IR Compliance officer	Malaysian, Tamil
Filomena Colavecchio	Legal	Italian	Calita Murray	Indigenous mediator	
Graeme Collin	Architecture		Christine Page	Education	
Doreen Cope	Education and Training	Swedish	Brian Proctor	Legal	
Jill Crisp	Social work		David Purnell	UNAA administrator	
Annette Crotty	Social work		Josephine de Riva	Legal (interstate)	
Marie-Noelle Cure	Social work		Cynthia Shannon	Administration	
Audrey Dargan	Social work		Brenton Smith	Legal	
Margaret Gath	Tribunal member		Ilsa Thompson	Industrial Relations Officer	
Darren Grear	Social work		Russell Whitewood	Project management/counselling	
Purnima Gurung	Family Liaison	Hindi, Nepali	Norma Williams	Education & training	
Minoo Hatami	Counselling	Persian, Spanish	Rosemary Willis	Education & training	
Mary Hinchey	School administration		Rhonda Woodward	Aboriginal education and support worker	
Lawry Herron	Diplomat/Tribunal member		Christopher Yong	Financial project management	
Tim Johnstone	Legal				

Healthy neighbourhoods project report

A key strategy in the Healthy Neighbourhoods Project for the twelve month period has been promoting early intervention. The strategy has been pursued through educational activities, an interagency network, closer collaboration with the Police and linking with the ACT Magistrates Court system. There has been an increase in the number of people using the neighbourhood dispute service, often without needing to proceed to a formal mediation session.

Highlights of the year have included:

- publication and distribution of a revised Healthy Neighbourhoods Brochure
- publication of educational articles in Canberra Chronicle, and the ACT Bushfire Recovery Task Force Community Update
- presentation of a paper on the Evaluation of Neighbourhood Dispute Mediation at the 6th National Mediation Conference in Canberra in September 2002
- article on neighbourhood dispute evaluation was published in the Australasian Alternative Dispute Law Journal
- collaboration with Community Services and Community Linkages organisations
- community development workers have been advised about addressing neighbourhood disputes and about what CRS can offer.

Dispute Management Interagency meetings regularly bring together members of agencies involved in neighbourhood disputes to share what has been done and identify any gaps in services. Meetings have been very successful providing a chance for all to appreciate the range and diversity of services that can work together to address the needs of people in neighbourhoods. Interagency meetings this year have focused on:

- animal nuisances and Domestic Animal Service protocols
- how courts can offer protection through a review of the Personal Protection Orders system
- liaising with other government and non-government agencies to keep CRS services in view.

Police are often the first agency to be alerted when there is trouble in a neighbourhood. The Police may in fact be called repeatedly to the same matter without real resolution. When there is no criminal offence identified, the Officers of the AFP are increasingly referring the disputants to CRS for mediation. Some of these disputes may already be at an entrenched stage by the time Police have been called. Disputants are generally reluctant to come to mediation preferring either the police or courts to deal

with their matter. CRS is finding an educative role in encouraging disputants, who may not always have the necessary good will to resolve a matter with their neighbours, to attend mediation.

Judicious use has also been made of advertising and other social marketing tools to remind people about peaceful resolution of differences.

The resolution rate in Healthy Neighbourhood disputes was 73 per cent. Sixty-five per cent of mediation sessions achieved a written agreement.

The major presenting problems are shown below.

	number	%
Fences	90	30%
Trees/plants/bushes	52	17%
Noise	47	16%
Violence, drugs, harassment	27	9%
General information	25	8%
Animals	21	7%
Other, not stated	39	13%
Total	301	

Neighbourhood dispute resolution has been enhanced this year by the extra community education and networking undertaken by CRS.

David Hopkins
Project Officer

Mediation Outreach Project

This year saw the beginning of a Pilot project to reach out directly to tenants of the multi unit housing communities.

CRS was funded through the Community Linkages Program of Housing ACT to make assertive outreach to encourage tenants to learn more effective ways to resolve disputes and to use mediation to address disputes they may experience.

Mobile mediation services aimed at providing mediation and community education for tenants and residents in proximity to where they live. Mediation and community education have been offered in complexes which are mostly in older parts of Canberra:

- Inner north: Bega Court, Allawah Court, Currong Apartments, Northbourne Flats, Kanagara Court, and Windeyer Court
- Inner south: Fraser Court, Stuart Flats, Griffith Flats, Gowrie Court and Woden: Strathgordon Court.

In late May a major forum was held at Regatta Point to highlight and promote the work achieved through the Community Linkages program. The Mediation Outreach Project featured prominently in what is developing into a positive network for the uplifting of Public Housing tenants in the ACT.

Making connections with many tenants and Housing ACT Managers and raising

awareness of dispute advice and mediation services are the basis of the Outreach project. Finding ways for people to easily come together for these sessions has been challenging and very worthwhile when successful. People have found value in dealing with all sorts of disputes including those within families, between neighbours, with landlords [Housing ACT], within residents organisations, and with other government bodies.

CRS has been involved in in-service training sessions for ACT 'Housing Managers' in each region of Canberra so all Housing Managers have an understanding of available dispute advice and mediation services. Increased contact with Housing Managers has led to a rapport and an increase in the number of referrals of people in dispute.

The Community Linkages Program, of which CRS Mediation Outreach is a part, represents a series of positive steps towards addressing the needs of public housing tenants.

David Hopkins
Project Officer

Intake Officer's report 2002-2003

Overview

There were 647 enquires.

- 204 (32%) proceeded to the file opened stage
- 81 cases were mediated
- 120 mediation sessions
- 310 hours of mediation
- 84% resolution rate.



Enquiries

type	number	%
Neighbourhood	301	47
Separated couples	132	20
Family	54	8
Training	42	6
Workplace	29	4
General information	20	3
Tenancy	18	3
Youth	10	2
Business/commercial	7	1
Organisations	6	1
Facilitation	5	1
Consumers	3	0.5
Social	1	0.25
Sexual harassment	1	0.25
Other	18	3
Total	647	100%

Source of referral

The focus for intake and dispute assessment has shifted from volume of callers to dealing with more complex and entrenched disputes. The increase in referrals from local government agencies, legal agencies (including the police) and community services demonstrates increasing confidence in CRS as a viable option for dispute resolution. More time was spent on educating referrers and clients about dispute resolution options and processes and preparing people for mediation.

This year the major sources of referral are local government departments (30 per cent). In previous years, it has been self-referrals. Next highest are legal agencies: 16 per cent; self-referrals: 14 per cent; the media: 11 per cent and community services 9 per cent.

Referrals between agencies

Agency	Referral	
	to CRS	from CRS
ACT Govt. Departments	193	19
Legal Agencies	103	66
Self	92	–
Media	68	–
Community services	56	20
Family/friends	31	–
Other agencies	13	11
Health agencies	12	1
Workplace/union	4	–
Commonwealth		
Govt. Departments	3	1
Educational agencies	3	–
Real estate	2	–
Church	2	–
Service providers	2	–
Sports club	1	–
Youth	1	–
Unknown	1	–
Total	647	118

Presenting problems

Major issues raised at enquiry stage were: contact arrangements for children, fences, family relationships, trees, noise, and mediation and conflict resolution training.

Major issues for parties seeking mediation were: communication, parenting, contact arrangements, violence, division of property, harassment and noise. CRS only accepts mediation where both parties feel safe to participate.

Disputes accepted for mediation

When CRS accepts a request for mediation, an invitation is extended to Party B to participate. Mediation was accepted in 48 per cent of cases. Twenty-two per cent declined and 24 per cent did not respond at all. One per cent withdrew before mediation commenced and five per cent were resolved prior to mediation.

Dispute type	Number of cases	accepted mediation	agreements reached
Neighbourhood	72	21%	73%
Separated couples	66	55%	86%
Family	24	42%	100%
Workplace	11	82%	78%
Business/organisation/social groups	7	43%	67%
Meeting/facilitation	5	80%	75%
Youth	3	67%	100%
Other	16	12%	100%
Total	204	—	84%

- **Neighbourhood disputes** constitute the largest number of enquiries (47 per cent). Of these 24 per cent proceeded to file opened stage. Twenty-one per cent of the files opened proceeded to mediation and agreement was reached in 73 per cent of mediated disputes.
- **Separated couple disputes** account for 20 per cent of total enquiries. Fifty per cent of these proceeded to file opened stage. Of these 55 per cent were mediated and agreement was reached in 86 per cent of disputes mediated.
- **Family disputes** represent eight per cent of total enquiries and include immediate and extended family relationships. Forty-four per cent of enquiries proceeded to file opened stage. Of these 42 per cent accepted mediation and agreement was reached in 100 per cent of disputes mediated.
- **Workplace disputes** were four per cent of enquiries received. Thirty-eight per cent proceeded to file opened stage. Eighty-two per cent accepted mediation and agreement was reached in 78 per cent of disputes mediated.

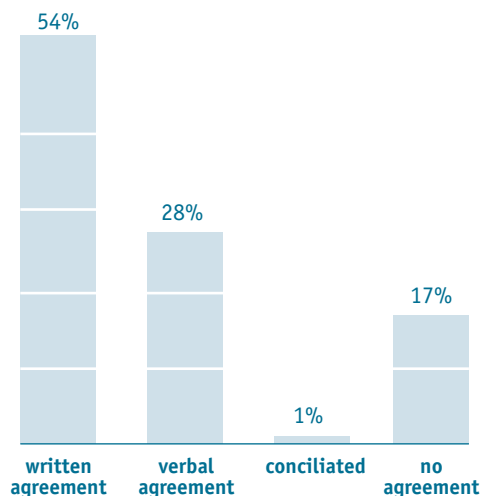
- **Business, Organisation and Social Group disputes** represent three per cent of the total number of enquiries. Forty-one per cent proceeded to file opened stage and 43 per cent accepted mediation. Agreement was reached in 67 per cent of disputes mediated.
- **Meetings and facilitations** account for one per cent of enquiries. Sixty per cent proceeded to file opened stage, all of them resulting in facilitations. Agreement/conciliation was reached in 75 per cent of cases.
- **Youth disputes** were 1.5 per cent of the total enquiries. Thirty per cent of these proceeded file opened stage. Sixty-seven per cent accepted mediation and agreement was reached in 100 per cent of cases.
- **Other disputes** account for three per cent of total enquiries and included disputes between community service providers and clients, and parents and schools. Eighty-nine per cent proceeded to file opened stage. Twelve per cent accepted mediation and agreement was reached in 100 per cent of disputes mediated.

Outcome of mediations

Eighty-four per cent of mediated disputes achieved an agreement. The kind of outcome achieved is shown in the following chart.



Figure 1: outcomes of mediations



Indigenous dispute resolution

There were:

- 15 enquiries
- 8 mediations
- 6 written agreements

Mediations between indigenous clients were mediated with an indigenous mediator.

There was a 75 per cent resolution rate with six out of the eight mediations achieving a written agreement.

Client profile data

Gender

Mediation was initiated by females 38 per cent more than by males. In previous years females have initiated mediation more frequently than males and males have responded more frequently to the invitation to mediate than females. However this year, females also responded more frequently than males by eight per cent.

Clients attending mediation

	Party A	Party B
Couple without children	13	6
Couple with children	12	18
Family (parent/child, siblings, relatives)	14	16
Single parent family (F)	17	7
Single parent family (M)	5	9
Person alone (F)	24	19
Person alone (M)	11	13
Organisation	3	8
Other	4	4
Not stated	12	17

Community education

Number of activities

21 community education and training sessions

- 35 hours
- 690 participants

11 Agency education sessions

- 191 participants
- 7 hours of service.

Service quality

Feedback questionnaire are sent to all parties after attending mediation. Twenty-two questionnaire responses were received. The questions related to different aspects of the Service on a scale of '1' to '5', with '1' meaning poor and '5' meaning excellent. The total responses for each question are then averaged out by our database. As in previous years, overall satisfaction with the Service is extremely high.

Dispute assessment and administration:

Contact with office staff	5
Venue and facilities	4
Written information	4

Mediators:	
Were impartial	4
Made things clear	4
Helped discussion	4
Were skilled	5

If an agreement was reached, was it:	
Fair	4
Workable	4

If an agreement was not reached, a later agreement is:	
Likely	3



Independent audit report

Committee report

COMMITTEE'S REPORT

Your Board Members submit the financial report of Conflict Resolution Service Inc. for the financial year ended 30 June 2003.

BOARD MEMBERS

The names of the Board Members of the Association at the date of this report are:

Mary Hinchey	President
Margaret Gath	Vice-President
Annette Crotty	Secretary
Christine Harrison	Treasurer
Carolyn Joyce	
Purnima Gurung	
Simon Bronitt	
Marie-Noelle Cure	

PRINCIPAL ACTIVITIES

The principal activities of the Association during the financial year were to promote harmony in the community, by providing a skilled and accessible dispute resolution service, that empowers individuals to understand their differences and resolve conflicts peacefully.

SIGNIFICANT CHANGES

No significant change in the nature of these activities occurred during the year.

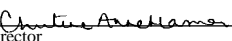
OPERATING RESULT

The net operating profit from ordinary activities was \$(2,596) (2002: \$19,349).

Signed in accordance with a resolution of the Members of the Committee.



Director



Director

Date 18/7/03



DEPENDENT AUDIT REPORT

To the members of Conflict Resolution Service Incorporated.

Scope

We have audited the financial report of Conflict Resolution Service Incorporated for the year ended 30 June 2003 as set out on pages 4 to 12. The Committee is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the Association's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of the Conflict Resolution Service Incorporated is properly drawn up:

a) so as to present a true and fair view of:

i) the state of affairs at 30 June 2003 and the results of its operations and cash flows for the financial year ended on that date; and

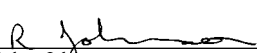
ii) the other matters required by Section 72(2) of the Associations Incorporation Act (ACT) 1991 to be dealt with in the financial statements;

b) in accordance with the provisions of the Associations Incorporation Act (ACT) 1991;

c) in accordance with Australian Accounting Standards; and

d) from proper accounting and other records which have been kept by the Association.

HARDWICKE'S Chartered Accountants



Robert Johnson
Partner

Date: 18/7/03
Canberra

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Statement of Financial Position as at 30 June 2003

Statement of Financial Performance for the year ended 30 June 2003

	Note	2003	2002
		\$	\$
Revenues from ordinary activities	2	269,606	265,063
Employee expenses		188,611	178,680
Other expenses from ordinary activities	3	<u>83,591</u>	<u>67,034</u>
Net profit from ordinary activities		<u>(2,596)</u>	<u>19,349</u>
Total changes in equity of the Association	11	<u>(2,596)</u>	<u>19,349</u>

	Note	2003	2002
		\$	\$
CURRENT ASSETS			
Cash assets	4	32,603	31,989
Receivables	5	16,881	19,901
Other	6	<u>4,347</u>	<u>1,619</u>
TOTAL CURRENT ASSETS		<u>53,831</u>	<u>53,509</u>
NON-CURRENT ASSETS			
Plant & equipment	7	<u>21,938</u>	<u>11,466</u>
TOTAL NON-CURRENT ASSETS		<u>21,938</u>	<u>11,466</u>
TOTAL ASSETS		<u>75,769</u>	<u>64,975</u>
CURRENT LIABILITIES			
Payables	8	28,221	18,313
Interest bearing liabilities	9	—	431
Provisions	10	<u>5,614</u>	<u>1,701</u>
TOTAL CURRENT LIABILITIES		<u>33,835</u>	<u>20,445</u>
NET ASSETS		<u>41,934</u>	<u>44,530</u>
EQUITY			
Retained profits	11	<u>41,934</u>	<u>44,530</u>
TOTAL EQUITY		<u>41,934</u>	<u>44,530</u>

Statement of Cash Flows for the year ended 30 June 2003

	Note	2003	2002
		\$	\$
Cash Flow from Operating Activities			
Grant income received		299,241	244,401
Receipts from customers		12,543	28,954
Interest received		2,181	577
Payments to suppliers and employees		(299,070)	(264,288)
Interest paid		(13)	(166)
	13(b)	<u>14,882</u>	<u>9,478</u>
Cash Flows from Investing Activities			
Payments for property, plant & equipment		(13,837)	(5,306)
		<u>(13,837)</u>	<u>(5,306)</u>
Cash Flows from Financing Activities			
Equipment lease		(431)	(1,138)
		<u>(431)</u>	<u>(1,138)</u>
Net movement in cash held		614	3,034
Cash at the beginning of the year		<u>31,989</u>	<u>28,955</u>
Cash at the end of the year	13(a)	<u><u>32,603</u></u>	<u><u>31,989</u></u>

Notes to the financial statements

for the year ended 30 June 2003

NOTE 1: Statement of significant accounting policies

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Associations Incorporation Act (ACT) 1991*.

The financial report covers Conflict Resolution Service Incorporated as an individual entity. Conflict Resolution Service Incorporated is an association incorporated in the Australian Capital Territory under the *Association Incorporation Act 1991*.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

The Association is considered to be a community service association and is therefore exempt from tax under section 50–10 of the *Income Tax Assessment Act 1997*.

(b) Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the Association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Furniture, Plant and Equipment	13–40%
Capitalised Leased Assets	33%

(c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

NOTE 1: continued**(d) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount.

Contributions are made by the Association to employee superannuation funds and are charged as expenses when incurred.

(e) Revenue

Revenue from the provision of services is recognised when the service has been provided to the clients. Grant income is recognised in the period for which it relates.

Annual membership is accounted for as income at the time of receipt.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

(g) Cash

For the purposes of the statement of cash flows, and financial instruments cash includes cash on hand, cash at bank and cash on deposit, net of any outstanding bank overdrafts.

NOTE 2: Revenue

	2003	2002
	\$	\$
Operating activities		
Grant income	257,088	236,412
Service income	8,504	24,651
Membership dues	1,046	876
Interest	2,181	577
Insurance recoveries	—	1,505
Other	787	1,042
	<u>269,606</u>	<u>265,063</u>

		2003 \$	2002 \$
NOTE 3: Profit from ordinary activities	Profit from ordinary activities has been determined after		
	(a) Expenses		
	Depreciation		
	Office plant and equipment	2,700	1,684
	Amortisation of capitalised leased assets	665	1,089
		<u>3,365</u>	<u>2,773</u>
	Remuneration of the auditor for:		
	– auditing the financial statements	2,750	2,300
	– other services	1,250	250
		<u>4,000</u>	<u>2,550</u>
NOTE 4: Cash assets	Cash at bank	<u>32,603</u>	<u>31,989</u>
NOTE 5: Receivables	Trade debtors	<u>16,881</u>	<u>19,901</u>
NOTE 6: Other assets	Prepayments	<u>4,347</u>	<u>1,619</u>
NOTE 7: Plant and equipment	Office furniture and equipment—at cost	30,524	13,421
	Less: accumulated depreciation	<u>(8,586)</u>	<u>(2,620)</u>
		21,938	10,801
	Leased equipment - at cost	–	3,266
	Less: accumulated depreciation	–	<u>(2,601)</u>
		–	665
	Total plant and equipment	<u>21,938</u>	<u>11,466</u>
	Movements in carrying amounts		
	Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year		
		Office Furn. & Equip.	Leased Assets
		Total	
	Balance at the beginning of the year	10,801	665
	Additions	13,837	–
	Depreciation	<u>(2,700)</u>	<u>(665)</u>
	Carrying amount at the end of the year	<u>21,938</u>	<u>21,938</u>

		2003 \$	2002 \$
NOTE 8: Payables	Grants received in advance	16,139	3,470
	GST payable	4,974	6,462
	PAYG withholding tax	4,552	3,088
	Accrued expenses	2,250	5,293
	Other	306	—
		<u>28,221</u>	<u>18,313</u>
NOTE 9: Interest bearing liabilities	Lease liabilities	<u>—</u>	<u>431</u>
NOTE 10: Provisions	Provision for employee benefits	<u>5,614</u>	<u>1,701</u>
	Number of employees at year end	<u>3</u>	<u>2</u>
NOTE 11: Retained earnings	Retained profits at the beginning of the financial year	44,530	25,181
	Net profit attributable to the Association	<u>(2,596)</u>	<u>19,349</u>
	Retained profits at the end of the financial year	<u>41,934</u>	<u>44,530</u>
NOTE 12: Leasing commitments	Finance Lease		
	Finance Lease capitalised in the accounts in accordance with the accounting policies defined in Note 1		
	Payable		
	- not later than one year	<u>—</u>	<u>436</u>
	Minimum lease payments	<u>—</u>	<u>436</u>
	Less future finance charges	<u>—</u>	<u>(5)</u>
Total lease liability	<u>—</u>	<u>431</u>	

	2003 \$	2002 \$
NOTE 13: Cash flow		
(a) Reconciliation of Cash		
Cash at bank	32,603	31,989
(b) Reconciliation of net cash provided by operating activities to profit from ordinary activities		
Profit from ordinary activities	(2,596)	19,349
Non-cash flows in profit from ordinary activities:		
Depreciation	3,365	2,773
Net (profit)/loss on disposal of plant and equipment	—	2,712
Changes in assets and liabilities:		
(Increase)/decrease in receivables	3,020	(19,578)
(Increase)/decrease in other current assets	(2,728)	170
Increase/(decrease) in payables	9,908	5,724
Increase/(decrease) in provisions	3,913	(1,672)
Net Cash from Operating Activities	<u>14,882</u>	<u>9,478</u>

NOTE 14: Financial instruments

(a) Interest Rate Risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing within one year	Non- interest bearing	Total
2003	%	\$	\$	\$	\$
Financial Assets					
Cash at bank	0.2	31,989	—	—	31,989
Receivables	—	—	—	16,881	16,881
		31,989	—	16,881	48,870

**NOTE 14: Financial instruments
continued**

	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing within one year	Non- interest bearing	Total
2002	%	\$	\$	\$	\$
Financial Assets					
Cash at bank	0.2	31,989	—	—	31,989
Receivables	—	—	—	19,901	19,901
		<u>31,989</u>	<u>—</u>	<u>19,901</u>	<u>51,890</u>
Financial Liabilities					
Lease liabilities	17.5	—	431	—	431
		<u>—</u>	<u>431</u>	<u>—</u>	<u>431</u>

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

(c) Net fair values

Methods and assumptions used in determining net fair value.

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

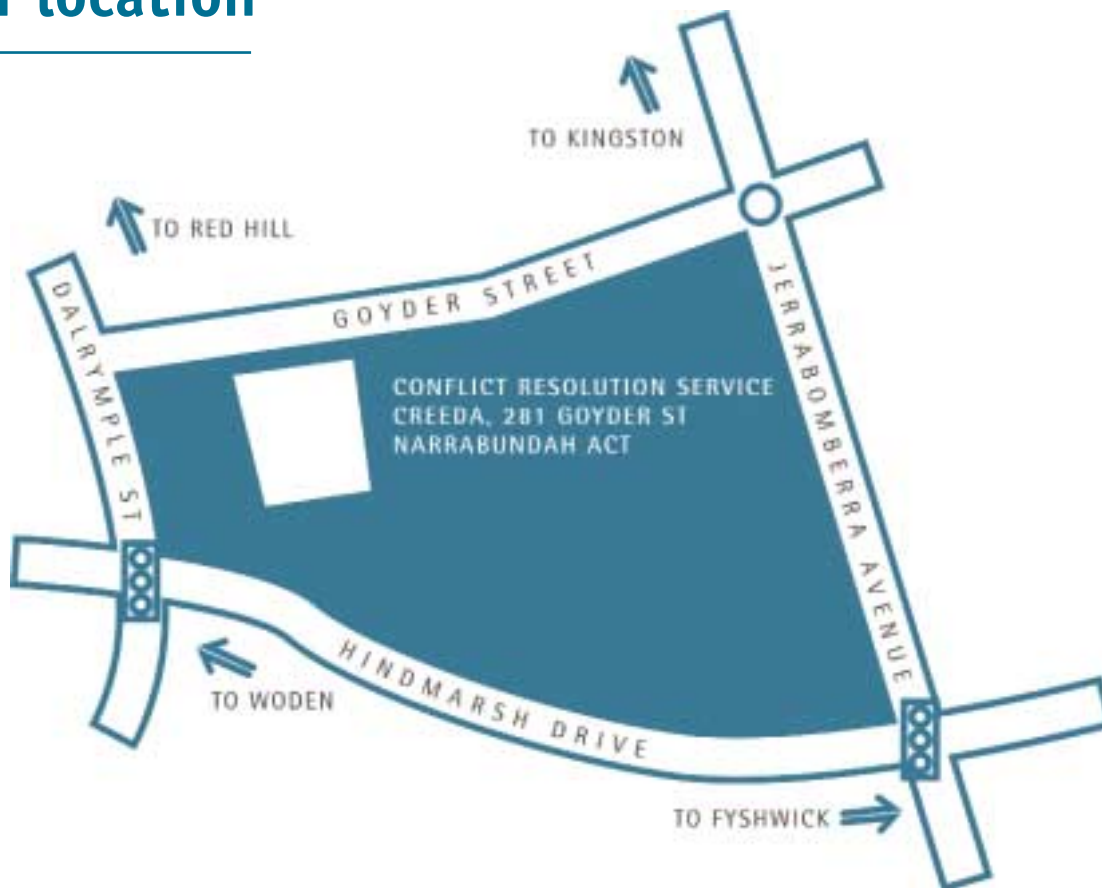
Detailed trading statement
for the year ended
30 June 2003

	2003	2002
	\$	\$
INCOME		
Service fees	8,504	24,651
Grants		
– Education and Community Services – Mediation service	189,643	181,573
– Education and Community Services – ACE	(1,659)	1,659
– Justice and Community Safety	48,879	50,000
– Disability, Housing and Community Services	20,225	–
– ACT Health Promotion Board	–	3,180
Interest	2,181	577
Membership	1,046	876
Insurance recoveries	–	1,505
Functions	604	764
Sundry	183	278
	<u>269,606</u>	<u>265,063</u>

Detailed trading statement
for the year ended
30 June 2003

	2003	2002
EXPENDITURE	\$	\$
Advertising	2,604	4,150
Audit fees	4,000	2,550
Bank charges	378	597
Computer expenses	3,461	1,738
Consultancy fees	9,615	2,376
Depreciation	3,365	2,773
Filing fees	26	—
Food	1,184	757
Functions	1,092	918
Hire of venues	1,066	1,576
Insurance	4,520	8,292
Interest paid	13	166
Internet	—	245
Loss on disposal of equipment	—	2,712
Miscellaneous	133	459
Office equipment	508	782
Postage	987	2,029
Printing & stationery	19,835	11,629
Project costs	—	1,288
Rent	14,578	12,472
Repairs & maintenance	1,608	763
Salaries & wages—administration	150,191	120,518
Salaries & wages—mediators	24,841	47,396
Security	816	378
Staff amenities	137	—
Staff training & welfare	3,763	1,854
Subscriptions/library	1,898	1,980
Superannuation	13,579	10,766
Telephone	6,150	3,576
Travel	1,854	877
Volunteer costs	—	97
	<u>272,202</u>	<u>245,714</u>
NET PROFIT FOR THE YEAR	<u>(2,596)</u>	<u>19,349</u>

Our location







**Conflict Resolution
Service**

Phone (02) 6295 5998