



Community First, Inc.

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CFI SUPPORTING THE

environment 

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growth
COMMUNITY FIRST, INC. | ANNUAL REPORT 2005

COMMUNITY FIRST VALUES

VISION STATEMENT

“Community First, Inc. building capacity in the Community.”

MISSION STATEMENT

Making a positive difference through employment and training.

ORGANISATIONAL VALUES

- L eadership**
leadership :: teamwork :: vision :: effective change
- O penness**
openness promotes honesty, transparency, integrity and a willingness to put forward our ideas
- C reativity**
to be productive and flexible through innovation and promotion of ideas
- K nowledge**
sharing and combining skills, experience, and abilities
- E mpowerment**
to give individual people the tools to be the best they can be
- R espect**
treat others the way you expect to be treated :: the wheel goes round :: karma

THE ORGANISATION'S 12 PRINCIPLES

- Principle 1: To ensure that the Organisation has clear direction that is in alignment with the goals of the Organisation.
- Principle 2: To ensure that plans are mutually agreed and that they translate into actions.
- Principle 3: To ensure that we understand our customers and use this information to develop strategies and actions and to provide exceptional customer service.
- Principle 4: To ensure that we strive for continuous improvement as an Organisation and develop appropriate systems and processes.
- Principle 5: To ensure we care for and value our people and realise our potential through our people.
- Principle 6: To ensure that we are continually learning as an Organisation
- Principle 7: To ensure that we identify system improvements and implement necessary changes.
- Principle 8: To ensure that we contribute to the community and add value to the community.
- Principle 9: To ensure that we use facts, data and knowledge to assist in making decisions.
- Principle 10: To ensure sustainability through risk managing and careful financial planning.
- Principle 11: Ensure effective leadership and role modelling throughout the Organisation.
- Principle 12: Ensure we create a culture of innovation and idea generation.

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COMMUNITY FIRST PROFILE

Community First is a not-for-profit organisation making a positive difference through employment and training. The organisation services the Peel and South West region and works with community groups, organisations and people to contribute to building a better community. The organisation manages a diverse range of programs that train, educate and support people to enter the work place. These programs range from making toys for children with disabilities to performance props for the Mandurah Performing Arts Centre as well as transition to work programs and training that is specific to people's employment needs such as information technology.

Community First is a dynamic organisation employing approximately seventy staff and has a professional and fresh approach to meeting people's needs. The organisation has adopted the Australian Business Excellence Framework to enable progressive management and work practices. The commitment and dedication of staff is told as a testament over and over again by clients, families and the community. Our slogan to employers is 'Employ Your Community First' and the organisation works at developing new and innovative ways to increase the social and economic fabric of the community.



**“...Community First/
JOBfutures have for the
past few years provided
a very professional
recruitment service which
is responsive to the needs
of our industry. The success
of this is indicated by
this company exclusively
utilising Community First/
JOBfutures services for
all our recruitment needs.
We look forward to a long
and mutually beneficial
partnership with them for
the foreseeable future.”**

**– Wayne Murray, Director
Just Hire and Sales**



STRATEGIC PLAN

Extract from the Community First Strategic Plan | Key Result Areas

Leadership

- 1.1 To ensure a strong strategic direction through business planning
- 1.2 To create a whole of organisation culture and break down barriers between departments
- 1.3 To increase employee Knowledge and skills
- 1.4 To ensure CFI is well known by the whole community and employment industry
- 1.5 To conduct an environmental audit and be proactive in environmental projects that benefits the community

Strategy and Planning

- 2.1 Ensure that key performance indicators are established through functional business plans and the strategic business plan for the organisation are regularly monitored.

Knowledge and Information

- 3.1 To implement an electronic purchase order system
- 3.2 To ensure that people learn new skills and knowledge
- 3.3 To focus on expanding the IT department
- 3.4 To research appropriate knowledge management systems

People

- 4.1 To ensure that CFI has trained and skilled staff
- 4.2 To develop mechanisms that enable staff to contribute ideas
- 4.3 To ensure that staff are involved in decision making

Customer and Market Focus

- 5.1 To gauge customer satisfaction through quantitative and qualitative feedback

Innovation, Quality and Improvement

- 6.1 To ensure recognition for good Work
- 6.2 To enable a process that harvests creative ideas
- 6.3 To encourage Innovation

Success and Sustainability

- 7.1 To ensure sound financial management
- 7.2 To strive towards excellence.
- 7.3 To achieve successful employment outcomes for our clients

Community Contribution

- 8.1 To increase the Community Service Contribution
- 8.2 To actively be involved in community sector boards of management



CHAIRMAN'S REPORT

Since our inception twenty-one years ago Community First, Inc. (CFI) has experienced a multitude of changes and challenges. We have overcome challenges and embraced change; experienced highs and survived lows. Yet we have continued to gain experience and grow, whilst providing a valuable service to our community.

CFI takes great pride in having a different focus to other organisations in the industry. We are not a Government funded agency; we are a community focused, not-for-profit organisation. We tender for employment and training contracts and must meet our contractual obligations to maintain our contracts.

We Care: that is the reason we exist. We do not pay out cash dividends: instead we reinvest into our community and pay a social dividend by providing opportunities through employment and training.

We are charged with making a positive difference in our community – to ensure that those in the community who are unemployed or do not fit into the mainstream, are not left behind. It is our mission to ensure that those seeking work, trying to improve their qualifications and/or gain new skills are given every assistance to find employment and training.

In February 2004 the Board set in place a series of initiatives to ensure the long-term future of CFI. This involved significant changes within our organisation and placed enormous pressure on our management team and staff. I am extremely proud of the way our staff adopted and implemented the new initiatives that have helped transform our organisation. These efforts have brought about a change of culture within CFI and how we are perceived in the community.

This change of culture and image, as well as the professionalism of our staff is now becoming well known, both within the community and our industry. Our CEO, Clare Allen, has directed and nurtured this transition; her professionalism, organisational and management skills have had a positive impact on our staff, job network partners and most of all, our clients.

The commitment, enthusiasm and professionalism of my fellow board members is an inspiration to me and to our staff and I thank them for their valuable contribution and guidance.

Operationally CFI performed very efficiently under the leadership of our CEO and her management team with income increasing by 14%, whilst expenditure was closely monitored resulting in a surplus of \$230 681. This is an outstanding achievement given the amount of organisational change that we experienced.

During the last financial year we assisted nearly 2000 people into employment and coordinated 1 652 people to participate in 55 Community Work projects that directly benefit our community.

Recently I had the pleasure of reviewing the Functional Business Plans of each department. The attention to detail and the professional manner in which they were prepared and presented highlight just how far we have come as a professional business organisation. We now have a solid foundation, both financially and also in experience and expertise.

I believe our solid business foundation will be a great launching pad for both CFI and our staff as we – like all twenty-one year olds – embark on the next stage of our journey.

My congratulations to CFI on reaching such an important milestone and most importantly thank you to all our staff for your contribution and achievements over the last twenty-one years.

John Gillingham :: Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

There are no limits to what Community First can achieve. This has been an exciting year with a strong emphasis on building a solid foundation and consolidating as an organisation. This has meant creating a more efficient work place, increasing income and ensuring that our expenditure is on track.

In the last twelve months the surplus for 2004/2005 has increased by \$197,275 on the previous financial year. This will enable Community First to do more good works in the community. Revenue from ordinary activities has increased from, \$5,180,130 to \$5,905,442, representing an increase of \$725,312. Within the last twelve months a number of changes have occurred, such as a new management structure, efficiency measures, improved reporting feedback and stronger policies and procedures. The purchase of Mandurah Terrace has greatly improved the asset base and this has proved to be a good Board decision; one which strengthens the organisation's financial position.

Employment services in Bunbury and Mandurah have performed well. Bunbury has retained its five star rating, which puts Community First at the forefront of providing a top quality service. Through our Job Network in the Peel and South West region we have assisted over 1,940 people into employment and a further 104 into education. Community Work Coordination has had 1,652 people participate in over 55 exciting projects that contribute to the community.

In the past year each department has grown and developed comprehensive strategies that align with the Australian Business Excellence Framework. Staff across the organisation came together to have input into the strategic direction of the organisation. These consultations resulted in a strategic business plan for 2005–2010. People are asked to contribute to a range of decision making, which ultimately makes us an organisation that is focused on continuous improvement.

The focus for this year has been on Leadership, Strategic Planning, People and Success and Sustainability. As an organisation we value leadership that includes a team centred approach, that is visionary and leads to effective change. A change management plan was introduced with Change Champions assisting with the deployment of new ideas and concepts. A comprehensive risk assessment was introduced with risk owners being assigned the responsibility of ensuring that the organisation was compliant with controls and treatments of those risks. A form was developed called Harvesting Creative Ideas. This was placed on the portal for people to come up with innovative ideas for the organisation. I am pleased to say that many staff have utilised this tool and some great ideas have come forward. One of those ideas was the development of a Charities Co-ordinator. As a result staff across the organisation have raised a significant amount of money that has assisted those in necessitous circumstances.

Community First has greatly improved its image and credibility within the community. The Marketing Committee has spent a considerable amount of time and resources in streamlining publications and promoting Community First. My thanks and appreciation is extended to the Marketing Committee.

The people in Community First are amazing and talented. It is a pleasure to be the CEO of a group of people that show dedication and a general desire to make a difference. I would like to express my thanks and appreciation to all staff for their contribution to the organisation.

Community First has an outstanding Board of Directors; professional people who contribute significantly to the organisation. I would like to thank the Board for their tremendous support and input into the strategic direction of Community First.

Clare Allen :: Chief Executive Officer

further

Go as far as you can see and when you get there you will always be able to see further.

BOARD OF DIRECTORS



Front Row (left to right): Clare Allen (Chief Executive Officer), John Gillingham (Chairman), Wendy Perdon (Director)
Back Row (left to right): Stephen Wiles (Secretary), David Winter (Treasurer), Steve Milligan (Deputy Chair), Jason Shereston (Director), Keith King (Director)

EXECUTIVE COMMITTEE



Front Row (left to right): Bob Dainton (Director, Performance CWC), Pauline Burns (Training Manager), Paul Marsh (Director, Performance Job Network), Margareta Pooley (Director, Performance Finance)

Back Row (left to right): Stephen Wiles (Secretary), David Winter (Treasurer), Steve Milligan (Deputy Chair), Clare Allen (Chief Executive Officer), John Gillingham (Chairman), Jason Shereston (Director), Wendy Perdon (Director), Keith King (Director)

TREASURER'S REPORT

The 2004/05 financial year has seen a period of consolidation following the expansion of the organisation, finalisation of the purchase of the property at 98 Mandurah Terrace, Mandurah and the maturity of our major Job Network contract with the Australian Government.

I am pleased to report that Community First's (CFI) financial performance during the 2004/05 year exceeded budget expectations and produced a surplus of \$231 681 representing a modest 3.90% of income. These funds will be required to finance necessary investment in new programs and equipment in the future.

A new milestone in the organisation's history has been reached with gross income received during the year exceeding \$5 900 000. This amount represents an increase of 14% over 2003/04 receipts. Through their diligence, the CEO and her staff have contained operating costs within budget parameters whilst simultaneously improving the standard of service delivery outcomes. Additional detail is provided in the 'General Purpose' standard audited accounts included in the Annual Report.

Rigorous monitoring of the financial, risk and compliance aspects of the operation has been enhanced by the adoption of an array of structured whole-of-organisation management and reporting processes.

We look forward to working with the Job Futures network and others to benchmark CFI's operational results against similar organisations. This initiative will further improve efficiency and enhance our ability to offer high quality value-for-money services in a competitive market place.

The Audit, Compliance and Risk Management Committee continues to meet on a monthly basis and provides advice to the Board. Committee membership comprises of two board members, the Chief Executive Officer, and the Directors Performance Finance, and Performance Job Network.

As in previous years the Committee is mindful of an increasingly complex contractual and statutory/regulatory environment. Changes in the financial reporting regime brought about by a requirement to phase in the Australian equivalents of the International Financial Reporting Standards and the current Australian Tax Office review of benefits currently afforded to public benevolent institutions, are cases in point. Notwithstanding, the good work of the organisation that assists some of the most economically and socially disadvantaged members of our community continues unabated.

For the second year CFI has included a "triple bottom line" report, utilising the United Nations sponsored Global Reporting Initiative sustainability guidelines, which augments the financial data provided.

In conclusion, I would like to thank the members of the Audit, Compliance and Risk Management Committee for their most valued contributions during the year and especially CFI staff members who have worked enthusiastically to implement the various initiatives.

David Winter FAICD, FIMC :: Treasurer



TRIPLE BOTTOM LINE REPORT

Economic Outcomes

During the year Community First, Inc. (CFI) derived its primary sources of income from the Department of Workplace Relations, JOB futures National, Western Australian Department of Education and Training, Department of Family and Community Services, Department of Health and Lotterywest.

As the economic performance indicators below demonstrate, CFI, as a not-for-profit organisation, has delivered its services in an economically responsible manner in compliance with its objectives.

| Economic Performance Indicators: | 2004–2005 | 2003–2004 |
|--|-------------|-------------|
| Revenues from ordinary activities | \$5 905 442 | \$5 180 130 |
| Total payroll and benefits | \$2 955 952 | \$2 822 949 |
| Interest paid on borrowing's | \$ 49 083 | \$ 50 700 |
| Increase/decrease in retained earnings | \$ 230 681 | \$ 34 406 |

Environmental Outcomes

CFI has addressed environmental challenges within the wider community through its Work for the Dole activities, Peel Activity Centre, CALM Certificate and Green Corps programs.

To this end, 218 people contributed to the improvement of the environment through projects such as Friends of the Cape, Dolphin Discovery Centre, Bunbury Maritime Project and Toby's Inlet. Twenty-four people obtained a Certificate I in Conservation and Land Management and six people obtained a Statement of Attainment. Twenty-four of those people participated in the Green Corps programs.

Along with these environmental programs and activities CFI reports against the following key environmental performance indicators.

| Environmental Performance Indicators: | 2004–2005 | 2003–2004 |
|--|------------------|-------------------|
| Energy use (Electricity and Gas) | 135 835 units | 164 289 units |
| Motor vehicle fuel use | 85 683 litres | 89 585 litres |
| Water consumption | 7 624 kilolitres | 10 021 kilolitres |
| Incidents and fines for non-compliance with environmental regulations/laws | None | None |

Social Outcomes

CFI conducts its business as a responsible, not-for-profit organisation within the community. CFI supports the UN Universal Declaration of Human Rights and aims to apply its principles throughout its business operations. CFI is committed to the elimination of unlawful discrimination and to the promotion of equality of opportunity for all customers/partners, stakeholders and other interested parties in all its functions. The aim of the policy is to ensure that all are treated equally, irrespective of race, colour, nationality, ethnic origin, gender, sexual orientation, marital or parental status, age, disability, political or religious belief or socio-economic class or spent criminal convictions.

Contracts secured and funds received, have enabled CFI to provide the following services to the community:

- Job Placements
- Job Search Training
- Transition to Work
- Fee for Service Training
- Competitive Allocated Training
- Personal Support Program
- Respite through the Peel Activity Centre
- Work for the Dole programs
- Green Corps Activities
- Leadership Program

The following social performance indicators show the outcomes CFI was able to obtain through its contract delivery process.

| Social Performance Indicators: | 2004–2005 | 2003–2004 |
|--|-----------|-----------|
| Number of persons assisted to find employment: | 2 969 | 962 |
| Number of persons prepared for employment: | 1 810 | 1 040 |
| Number of persons with disabilities assisted: | 492 | 60 |
| Number of clients receiving job search training: | 467 | 668 |

The social performance indicators within the organisation are listed below.

| Workforce numbers: | 2004–2005 | 2003–2004 |
|--------------------|-----------|-----------|
| Full time | 46 | 52 |
| Part time | 18 | 19 |
| Casual | 12 | 15 |

| | | |
|---|--------------|--------------|
| The net employment creation ratio: | 1 : 45.68 | 1 : 13.36 |
| Percentage of employees represented by union organisations: | 4.4% | 5.8% |
| Sick Leave | 3 331.59 hrs | 3 203.18 hrs |
| Workers Compensation claims: | 2 | 4 |

The CFI Policy and Procedures manual has been developed through consultation with employees and through the Change Management Committee and include the following policies, which were revised in the 2004–2005 year:

- Study Support
- Equal Employment
- Fitness for Work
- Occupational Health and Safety
- Human Resources
- Risk Management
- Employee Recognition Program
- Complaints Handling
- Motor Vehicle Policy
- Sick Leave
- Staff Uniforms

Composition of CFI corporate governance bodies consists of the Board of Directors assisted and reported to by the following committees:

- The Strategic Planning Committee
- Audit Compliance and Risk Management Committee
- Executive Committee
- Risk Management Group
- Marketing Committee
- Occupational, Safety and Health Committee
- Change Champions

Community Contributions

CFI employees have donated 87.45 hours of their personal time to the local community and committees and have been involved in many charity fundraising events. In this financial year Joanne Mallinder was appointed Charities Co-ordinator. Funds have been raised for the Tsunami Disaster Relief, Greg Jeanes, Youth Focus, Telethon Speech and Hearing, Peel Health Campus Paediatric Ward, the Cancer Council and, SIDS and Kids. A total of \$3 908.35 was raised over eight events.

**A person's true wealth is the good
he or she does in the world.**

Mohammed (570AD – 632AD)

STAFF

Executive Management

Clare Allen Chief Executive Officer
 Margareta Pooley Director, Performance Finance
 Paul Marsh Director, Performance Job Network
 Bob Dainton Director, Performance CWC

Department Managers – Bunbury + Mandurah

Pauline Burns Training Manager
 Tracey Ford Finance Manager
 Nicky Waite Job Network Manager, Mandurah
 Peter Hunt Job Network Manager, Bunbury
 Julie Revett CWC / WFD Manager, Mandurah
 Michelle Bryden CWC / WFD Manager, Bunbury

Financial Support

Cheryl Harvey Accounts Payable
 Debbie Williamson Accounts Receivable/Accounts Payable
 Janet Mihaljevich Payroll
 Wendy Battams Accounts Payable/Accounts Receivable

Administration – Head Office Mandurah

Denise Platt Personal Assistant
 Fane Robinson IT Administrator
 Penny Benton Receptionist (6 months only)
 Noeleen McLoughlin Cleaner

Job Network Employment Officers – Mandurah

Cathy Bingard Job Placement Officer
 Tara Faulkner Job Network Reception
 Kelly Portier Vocational Profiler
 Christene Moore Employment Consultant
 Janet Mathieson Employment Consultant
 Lisa Horley Intensive Assistance Case Manager / PSP Coordinator
 Jack McKeon Marketing Development Officer
 Sonya Murphy Job Search Training
 Robyn Cody Job Search Training
 Amanda Jenks Employment Consultant - Youth
 Jackie Atwell Employment Consultant / TTW
 Sue Locke Employment Consultant
 Julie Donkin Employment Consultant
 Kate Morahan Employment Consultant PPS
 Cecilia Thornton Employment Consultant
 Matthew Durdin Marketing Development Officer
 Susan Wilton Marketing Development Officer
 Joanne Mallinder Job Network Administration Assistant
 Zena Gomes Post Placement Support Coordinator (April 2005)
 Bill Turner Post Placement Support Officer
 Terry Cable Cleaner



Training Officers – Mandurah

Ken Thompson..... Facilitator
Zena Gomes Facilitator (July 2004/March 2005)
Greg Tomlinson Facilitator
Tracy Neilson Facilitator
Darran Baker Facilitator
Judy Turner Facilitator
Sheri Sullivan Driver
Ruth Harding Working Life Facilitator
Pauline Wood Facilitator
Susan Haywood Facilitator

Work for the Dole Project Supervisors – Mandurah

Natasha Dimer..... Work for the Dole Administrator
Penny Benton Work for the Dole Administrator
Melissa Horley..... Trainee Receptionist
Teagan Cowcher Trainee Receptionist
Anita Miller CWC Representative
Doug Wilson PAC Supervisor
Russell Langridge WFD Supervisor
Wendy McArthur WFD Supervisor
Darren Whiffler WFD Supervisor
Bert Lankester WFD Supervisor
Kylie La Spina Green Corps Supervisor
Steve Lawrence WFD Supervisor
Natalie D'Ascenzo PAC Supervisor
Christine Dahlitz Cleaner

Administration – Bunbury

Christine Dusci Clerical / Reception
Jasmine Mas Cleaner

Job Network Employment Officers – Bunbury

Deirdre Sherwood Job Placement Officer
Kyrilee Tomlinson Employment Consultant / Case Manager
Kara Holmes Employment Consultant / Case Manager
Sarah Mellor Job Search Trainer
Mong Leng Connell Employment Consultant
Case Manager Personal Support + Transition to Work
Kaye Wallace Marketing Development Officer
Julie Keep Job Placement Officer
Alisha Graham Trainee
Kate Emmerson Trainee

Work for the Dole Project Supervisors – Bunbury

Nick Marinelli Bunbury Community Care – Supervisor
Tammy Jetta Receptionist
Kate Tatham Office Assistant
Elaine Schruers Bunbury Clerical - Supervisor
John Cartwright Rotary Workshop - Supervisor
Kath Henderson South West Work Experience - Supervisor
David Collins Friends of the Capes - Supervisor
Miriam Davie Cleaner



we
care.



COMMUNITY WORK CO-ORDINATOR REPORT

Building community partnerships has been the focus of the Community Work Co-ordinator (CWC) division over the last twelve months.

A number of key initiatives have increased the profile of Community First, Inc. (CFI) in both the Peel and South West Regions. Significant involvement in our community is regarded as a high priority for the CWC network throughout the regions serviced.

PEEL

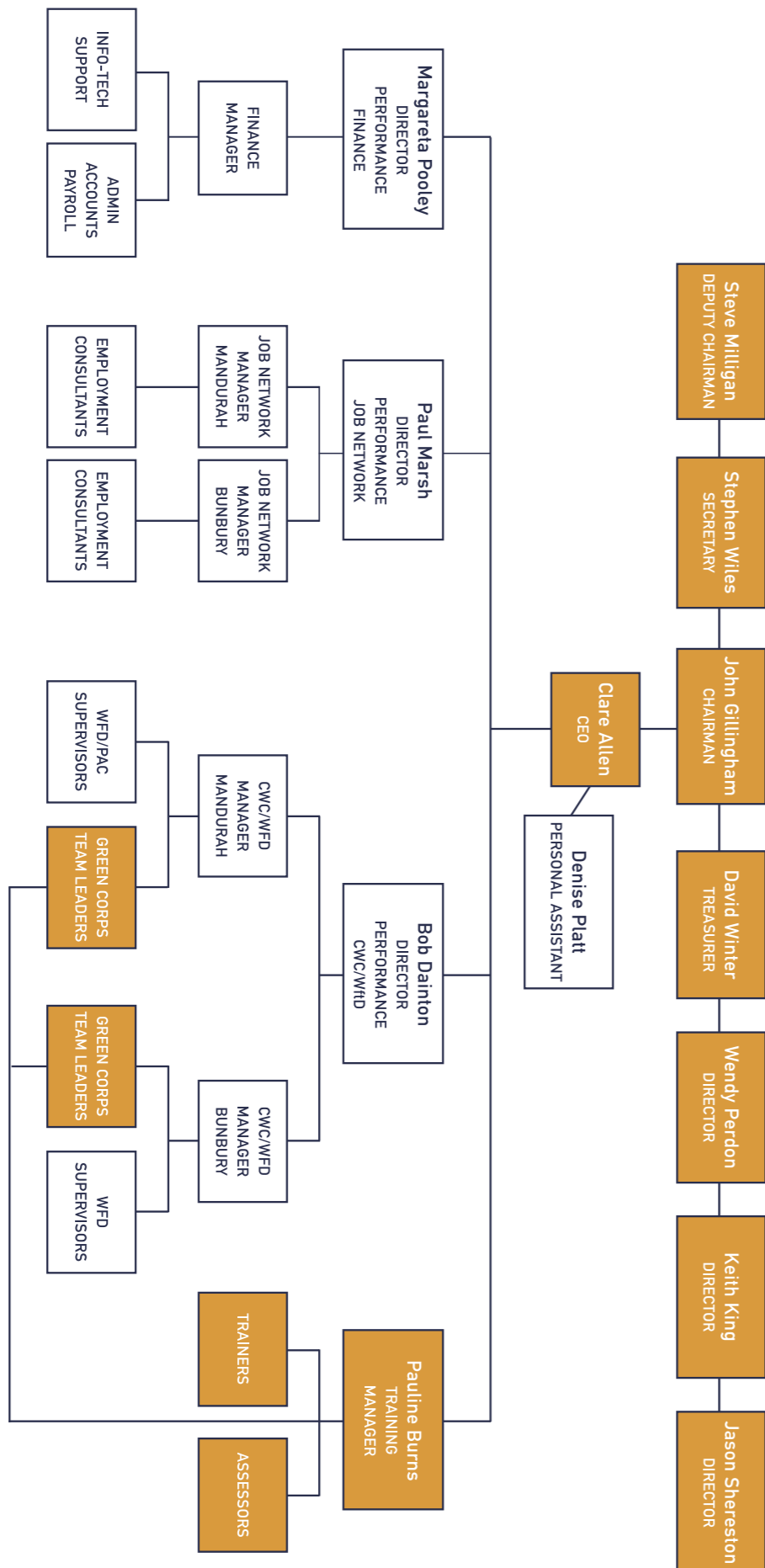
Mandurah Performing Arts Centre is an icon of the Mandurah community. Our continuing support has provided CFI with an ideal opportunity to become a partner in many major initiatives in the Mandurah Region.

The annual Crab Fest, Stretch Festival and theatre pantomimes such as Pinocchio are exciting events that have enabled CFI to participate through the Performing Arts Project. Consultation on set design, construction of parade floats and development of artworks has contributed to the promotion of these festivals and productions. The Performing Arts Project has provided excellent opportunities to promote CFI in a high profile environment as well as providing a valuable resource that would otherwise not be available without the Work for the Dole Project funding.

Further involvement in the region of Murray has been enhanced by CFI's contribution at Fairbridge Village. A seedling nursery has been built to assist in the redevelopment of areas within the precincts of the farm. The nursery will also provide further activities for participants other than Work for the Dole activities organised by the Fairbridge Foundation. This is a growth initiative and we are negotiating with the Fairbridge Foundation to increase participation on this project.

The Cumberland Street workshop has proven to be a further success. Upgrade of the workshop, with an improvement in the quality and quantity of available equipment, has seen a boost in the operation of the facility. Work for the Dole activities are currently producing toys that are sent to tsunami victims in South East Asia. Kim's Toy Boys, a long-standing community partnership, has utilised the workshop for the production of wooden toys distributed to under privileged children. The Peel Activity Centre, which is funded by the Department of Health, enables people with disabilities the opportunity to attend the workshop to help them develop skills in the wood working trade. We are currently seeking additional partnerships to increase the utilisation of this valuable resource including the Disability Services Commission and other community groups.

Over and above the major projects, CFI maintains a high profile within the region through brokered projects involving small community groups. Single placements in organisations such as libraries, tourist centres, schools and other community groups provide work experience opportunities to those participants in outreach areas.



■ AQTF RESPONSIBILITIES

We have initiated a strong relationship with the City of Mandurah with the intention of developing a community partnership that will entail environmental projects as well as single placements within their administration section. We currently have a ten placement team activity working with the city depot and a single placement brokered activity within the records section of the City's administration.

THE SOUTH WEST

The South West region is proving to be an exciting prospect for the development of partnership projects. Strong connections have been built with the communities of Busselton, Collie, Manjimup, Bridgetown and others. Numerous projects within the region have promoted the profile of CFI, through the Work for the Dole program.

An example of such partnerships can be demonstrated with CFI's strong connections with the Dolphin Discovery Centre, recognised as an environmental window in the City of Bunbury. Participants have been involved in activities that have seen the enhancement of the Centre through the extension of garden areas and improvements to the facility. We have been working closely with the Board and CEO of the Dolphin Discovery Trust to expand the facility to the extent that it will become the premier dolphin interaction feature in Australia. The Centre is also involved in research and currently on the drawing board is a facility that will raise the profile to an international status. Inclusion in this valuable project is seen as an important part of Community First's commitment to the South West.

The challenges in promoting Work for the Dole in the South West Region are vast; however, with projects such as Friends of the Cape and brokered placements, we are capable of servicing the outreach areas of the State. A bus service in Busselton, Margaret River and Augusta ensures that Work for the Dole extends to those areas that normally would not have the opportunity to become involved in projects that bring work experience to job seekers as well as resources to the communities.

The Manjimup, Bridgetown and Pemberton areas have been serviced through a partnership with the Manjimup Resource Centre, which offers brokered placements within all of these communities.

CFI's assistance in the development of an artificial reef off the coast of Bunbury, has garnered recognition from the Regional Prime Minister's Work for the Dole Award. This project involved partnerships with the City of Bunbury and the Bunbury Chamber of Commerce. An ex-fishing vessel was prepared as a dive wreck, providing participants with valuable work experience in demolition and salvage as well as the use of heavy cutting and lifting equipment.

Overview

Numerous challenges have been presented to the CWC Services Division over the past twelve months. Increasing employment figures in the South West have resulted in less participants being available for Work for the Dole activities. Marketing has responded creatively to maintain community awareness of Work for the Dole. Community Work Co-ordinators and CWC Representatives are maintaining a high profile with Job Network members and employment consultants who are responsible for the referral of participants.

believe

Do continue to believe that with your feeling and your work you are taking part in the greatest; the more strongly you cultivate in yourself this belief, the more will reality and the world go forward from it.

– Rainer Maria Rilke (1875–1926)



The Building and Construction and Hospitality and Tourism industries have exhibited strong growth, particularly in the South West, resulting in a distinct shortage of skilled labour in this area. CFI has always ensured that all projects develop a skills base, however a greater emphasis has been placed in developing those skills that are in short supply. Some of these projects include:

A proposed house-building project – Collie.

This project will expose participants to trades associated with building; there is a major shortage of skilled tradespersons in the town.

Cabinet making and carpentry workshop – Mandurah

This workshop exposes participants to those skills needed in the Peel Region.

Dolphin Discovery Centre – Bunbury

Hospitality and Tourism skills are addressed through the Centre providing work experience in much demanded areas.

This concept has now been identified by Department of Employment and Workplace Relations (DEWR) as a pre-requisite for the approval of Activities and will become a Key Performance Indicator in the next contract.

It is important that the quality of projects remains at a high standard. The Visual Arts Program in Peel continues its success – from the community perspective – as well as participant attendance. Projects in the Murray and South West Regions also reflect this. A formula consisting of valuable work experience and the quality of supervisors has proven to be successful.

CWC faces further challenges with a new contract due for tender in the first part of next year. Our track record and successes puts us in a prime position to continue the project for the next three years. Reports from the DEWR as well as feedback during monitoring visits have always been positive with high results in Key Performance areas. It should be noted that CFI outperforms its local competitor in both the Peel and South West regions.

A number of initiatives at both sites have seen a more efficient use of available resources. In order to improve efficiency some staff resources have been shed resulting in a marginal improvement in the bottom line of each site. Green Corps has been suspended from the scope of the department as a way of reducing shortfalls associated with the project. We are still researching ways to become involved in environmental projects including Green Corps. The strong partnership we are developing with the Dolphin Discovery Centre will give us the opportunity to see this through.

CONCLUSION

Although the CWC Division of Community First has experienced a number of challenges throughout the last year it has proven to be a valuable way of making contact and developing partnerships within communities throughout the regions of the South West and Peel. The need to become more cost efficient and creative has provided both sites with challenges that they have met. Although there have been reductions in staff resources, the existing team has been able to provide DEWR, the local communities and job seekers a service that is of a high standard. Continuation of this, as well as constant development, places us in a prime position to continue providing Work for the Dole services through the next contract period.

EMPLOYMENT SERVICES REPORT

The Employment Services department of Community First, Inc. (CFI), delivers a number of Federal Government contracts to provide employment related services to the Peel and South West communities. Our main focus is working with long term unemployed people, directly assisting them to become more self-reliant during periods of unemployment and to help them to develop their capacity for obtaining and retaining employment.

JOB NETWORK

Funded by the Department of Employment and Workplace Relations (DEWR) :: Sub-Contract to JOB futures

This three-year contract commenced in July 2003 and has a strong focus on long term unemployed, highly disadvantaged, youth and indigenous client groups with a Star Rating System. The fees regime is closely linked to outcomes of sustained employment for those clients. Our Peel operation comprises a Generalist contract and a Youth Specialist contract while our South West operation comprises a Youth Specialist contract only. The Peel Generalist contract is the second largest of all JOB futures Job Network Contracts in Australia.

In May 2005 the Government announced its Welfare to Work Package that is aimed at increasing workforce participation rates and to reverse the upward trend of welfare dependency. This means that CFI's Employment Services operations have needed to respond to servicing non-activity tested clients. These new clients create a new focus from a marketing and staff-training point of view as we need to be equipped as an organisation to cater for their various needs. We have been involved in specialised training in dealing with people with disabilities, "first aid" for mental health, achieving outcomes for clients on Parenting Payment and customer service. At the end of the year the Job Network operations had been successful in achieving a five star rating in the South West, a three and a half star rating for Youth services and a three star rating for Generalist services in the Peel Region.

Although a five star rating was achieved in Bunbury, the latter part of the year showed a slow-down in client flow and outcomes and a subsequent downturn in income. The challenge for the Bunbury Job Network next year is to maintain a high star rating whilst remaining a cost effective operation.

The Mandurah Job Network increased their performance throughout the year and continues to significantly contribute to the organisation's financial position. By June 2005 Bunbury Youth was still maintaining a 5 star rating. The Mandurah Youth had gone up to four and a half star, the generalist is still on three stars however the percentile for the generalist is continuously improving.

In May 2005 the Government announced that it would use a two and a half star rating to determine a contract roll-over. At present it would appear that if current performance is maintained it is likely that CFI can look forward to delivering Job Network Services until at least July 2009. On saying that we need to be constantly aware that star ratings are always a relative measure in the Employment Services Areas across the country and that as a minimum we need to increase performance at the same rate as our competitors.

The Mandurah team has seen a number of staff changes over the past year and has endured some organisational changes, not least of which was the recent re-location of services to the

Mandurah Terrace site. I would personally like to extend my gratitude to all the Employment Services staff for their hard work and flexibility in dealing with and overcoming all of these changes. To maintain performance at a time of such change is indeed a challenge and a challenge that the staff have risen to and I congratulate them.

Many new initiatives have evolved in our Job Network services and include a significant expansion of Post Placement Support where a specialist team has been formed to maximise the potential for all placements by converting them into sustainable employment for clients and improving outcomes of thirteen week and twenty-six week durations. This is already proving effective with considerable improvements in Placement to Outcome conversion rates.

This year we have continued to provide holistic services to highly disadvantaged clients by using training tailored to meet their specific needs, mentoring, reverse marketing and cross referral to specialist services. Our staff have received significant training in specialist areas to cater for the wide range of clients we currently service.

Our Job Placement Operation continued to be an integral role in sourcing jobs for our disadvantaged clients and forming strategic partnerships with major employers, training providers and key personnel within CFI.

TRANSITION TO WORK (TTW)

**Funded by the Department of Employment and Workplace Relations (DEWR)
Sub Contract to JOB futures**

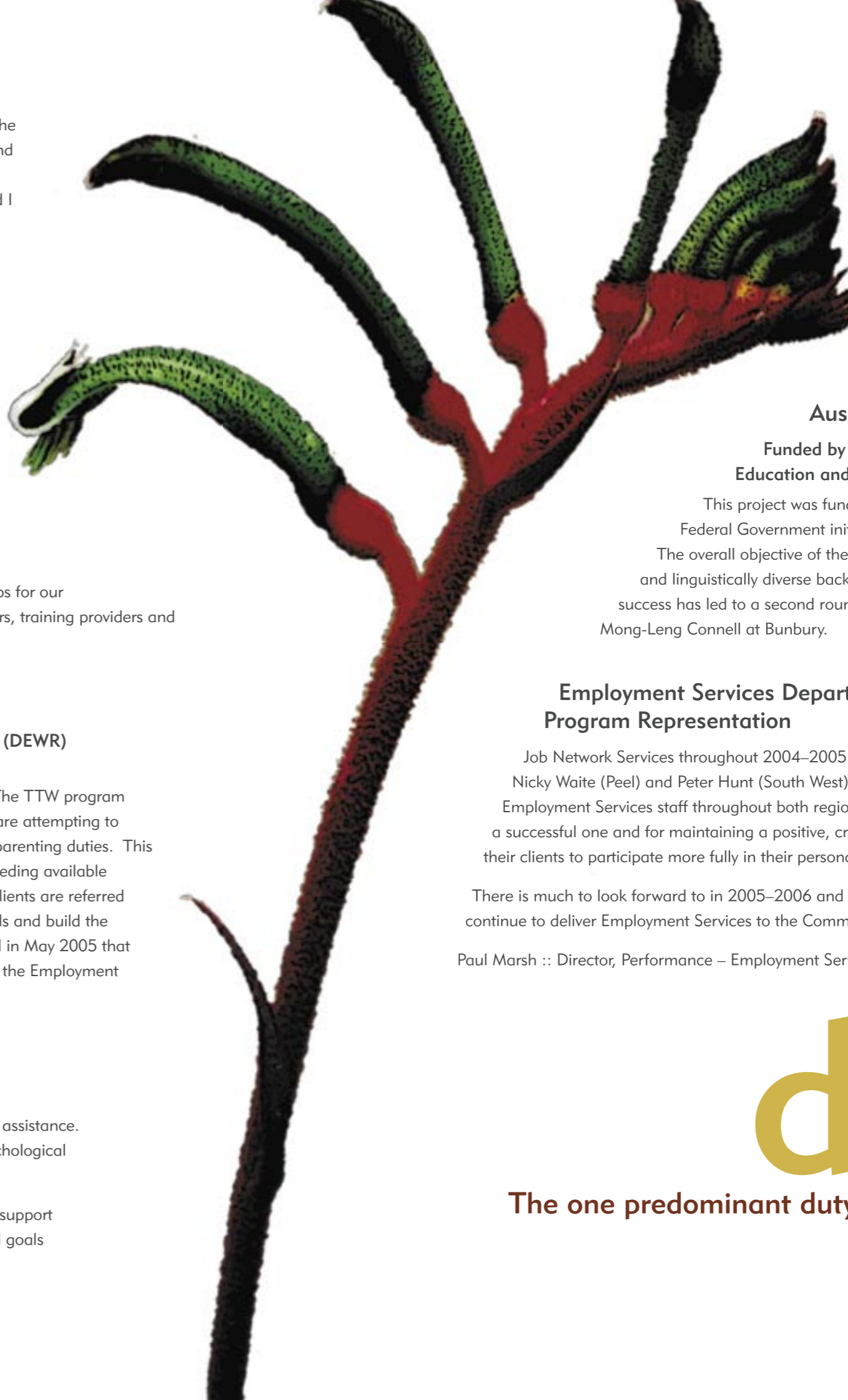
This relatively small contract continues to prove popular for its client group. The TTW program delivers employment, training and career counselling services to clients who are attempting to rejoin the workforce after some period of absence mainly due to caring and parenting duties. This program is extremely successful in both regions with demand constantly exceeding available places. TTW provides Government funds for Skills Development and many clients are referred to both internal and external training courses to enhance their vocational skills and build the confidence required to successfully re-enter the workforce. It was announced in May 2005 that this program would be merged with the Job Network in July 2006 to become the Employment Preparation Program.

PERSONAL SUPPORT PROGRAM (PSP)

Funded by the Department of Health and Community Care

PSP is a bridge between short-term crisis assistance and employment-related assistance. Participants may be facing homelessness, drug/alcohol problems, severe psychological conditions, domestic violence and a range of other personal issues.

Again this is a relatively small contract allowing highly personalised intensive support from a qualified Psychologist helping participants work towards their personal goals that may lead to social or economic outcomes.



The main aim of the program is to encourage participants to engage in social and economic activities by identifying, assessing, and implementing strategies to deal with their barriers. Success in this program at both Mandurah and Bunbury sites has led to additional business being allocated for this program and congratulations goes to the PSP staff for this achievement.

Australians Working Together Project

Funded by Western Australian Department of Education and Training

This project was funded under the Australians Working Together Federal Government initiative and was delivered at the Bunbury site. The overall objective of the project was to assist women from culturally and linguistically diverse backgrounds towards training and employment. Its success has led to a second round of funding and again will be co-ordinated by Mong-Leng Connell at Bunbury.

Employment Services Department Program Representation

Job Network Services throughout 2004–2005 was managed at the regional levels by Nicky Waite (Peel) and Peter Hunt (South West). My thanks go to Nicky, Peter and all the Employment Services staff throughout both regions for making the second year of this contract a successful one and for maintaining a positive, creative and innovative approach in assisting their clients to participate more fully in their personal development and in their community.

There is much to look forward to in 2005–2006 and CFI is confident that it will be well placed to continue to deliver Employment Services to the Community for a number of years to come.

Paul Marsh :: Director, Performance – Employment Services

duty

**The one predominant duty is to find one's
work and do it.**

Charlotte Perkins (1860–1935)

opportunity

Some wait for opportunity to knock while others are busy building the door.

— Greg Phillips

TRAINING INNOVATIONS REPORT

Training Innovations has been delivering accredited and non-accredited training to the Peel, South West and Metropolitan areas for over twenty-one years. From the company's inception as a community youth support scheme project to assist young people, Training Innovations has continued to specialise in youth training programs. In addition, the Department has diversified and offers training to individual community members and the business sector.

As a Registered Training Organisation, Training Innovations delivers accredited training in the following industry areas:

- Retail
- Business
- Hospitality
- Conservation and Land Management
- Gaining Access to Training and Employment
- Certificate IV in Assessment and Workplace Training
- Aged Care

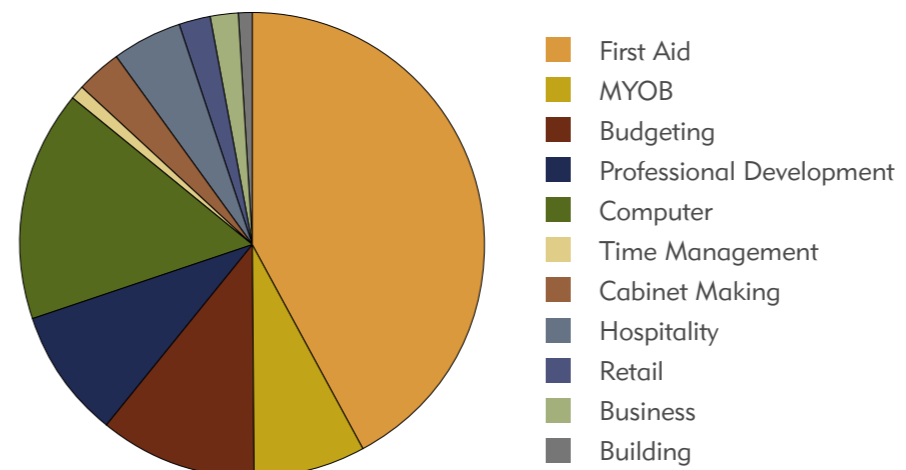
And non-accredited training in:

- MYOB
- Introduction to Computers
- Introduction to Word/Excel/Power Point
- Personal Development Courses (communication, budgeting, time management, tools for change)
- Customer Service
- Senior First Aid

Training for Employment

In July 2004 a training needs analysis was completed with the Job Network to determine the training requirements of our clients with the view of implementing training courses that will aid clients in gaining and retaining employment. As a result we had 411 enrolments from Job Network clients who participated in a variety of training programs; the following chart defines the type of courses offered and proportion of clients that attended each course.

Courses delivered



Working Life

In 2004 the Training Department was asked to deliver the Working Life program on behalf of the Job Network, and with great pleasure hired Ruth Harding to commence this extremely successful program.

Working Life is part of the support that JOB *futures* provides under the Job Network program. Specifically tailored for Customised Assistance clients, the program supports the belief that people will remain in work for much longer if they want to be there. This is most likely to happen if someone is interested in the work they are doing and can see prospects for improvement. Working Life aims to work with job seekers to identify areas of work they are likely to enjoy, develop skills to get that kind of work and develop an understanding of the importance of keeping a job once its been secured. This training supports the Working Life vision:

CHOOSE the nature of your future work

GET the work you want

KEEP the job so you can...

ADVANCE and improve your situation

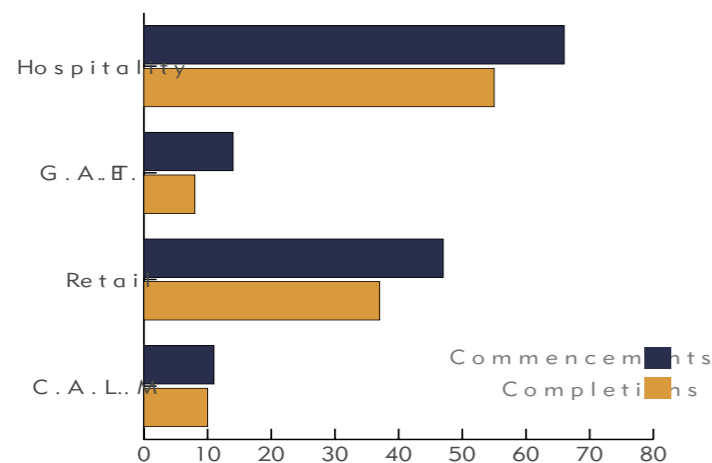
This financial year 111 clients have participated in the Working Life program.

Funded Training

Since 1998 Community First, Inc. (CFI) has assisted the Western Australian Department of Education and Training to meet the skill requirements of industry and to assist people disadvantaged in the labour market to access vocational education and training. 2004/2005 was no exception with the delivery of the following access courses:

- Certificate I in Conservation and Land Management for mature aged clients 45+
- Course in Gaining Access to Training and Education for youth-at-risk young men
- Certificate I in Retail Operations for youth-at-risk
- Statement of Attainment for Certificate II in Hospitality for youth-at-risk

The objective of the access programs is to increase the opportunity for people disadvantaged in the labour market to access Vocational Education and Training in order to assist them into employment or further training. As the following statistics demonstrate 45 clients gained employment and/or commenced further education and/or training by the end of a course. These fantastic results demonstrate the power of training in search of employment.



Training for Business

Training Innovations continued to offer one-on-one training to individuals and companies. Our greatest success was in the area of computer training and Senior First Aid, however many clients also participated in our MYOB, Certificate IV in Assessment and Workplace training and personal development courses. In total 66 individual clients enrolled in our courses of which 90% were extremely satisfied with the service and level of training offered by us.

Partnerships

Jobs Australia Midland/Morley

For this partnership we recruited the expertise of Judy Turner to lead a group of 11 clients to success through our taster program (accredited units from the Business, Retail and Hospitality package). Judy and the Jobs Australia team celebrated seven employment outcomes from the course.

We would like to thank Jobs Australia Midland/Morley for giving us the opportunity to work with another inspiring job network agency and an opportunity to assist clients into employment through training.

Brightwater

It was with great pleasure that CFI assisted Brightwater and their recruitment agency CPE Recruitment with the opening of the new Cove facility in Mandurah. From the initial meeting it was clear that Brightwater held the same philosophies, passion, standards and community spirit as CFI. Furthermore, Brightwater stated that they wanted to employ local people to fill the 150 available positions.

CFI responded by offering, in partnership with Brightwater, a course that ensures all clients wanting to gain employment had an understanding of the Brightwater philosophies, an opportunity to gain accreditation in Aged Care and a general understanding of the type of people Brightwater would employ.

The CFI job matching section quickly began gathering resumes and commenced the recruitment process. With three courses and over 43 clients participating in the training it was obvious that both Brightwater and CFI were commencing a very long and successful partnership.

Sixty-four clients in total were referred for positions with Brightwater and gained interview. The general feedback from Brightwater and CPE Recruitment indicated that both were extremely impressed with the level of clients applying for positions and more than pleased with the level of service offered by CFI. Now the wait is on as jobs will be offered later in the year.



Internal training

A variety of professional development courses were offered to staff by the Training Department in the last financial year. These courses included:

| Course Name | No. of staff trained |
|---|----------------------|
| Certificate IV in Assessment and Workplace Training | 1 |
| Senior First Aid | 18 |
| Outlook Training | 6 |
| Time Management | 13 |
| Tolerance, Empathy and Understanding | 13 |
| Team Player | 15 |
| Excel Training | 6 |

I would like to thank each member of the team for their fantastic efforts and achievements; our highly skilled and motivated team continue to ensure the future growth and sustainability of the Department. I would also like to thank our CEO and Board of Directors for their ongoing commitment to the Training Department and confidence that we are poised for even greater performance in the years to come.

Pauline Burns :: Training Manager

**You must know for
which harbour you are
headed if you are to
catch the right wind to
take you there.**

**Marcus Annaeus Seneca
(55BC – 40AD)**

EMPLOYEES OF THE YEAR

RECOGNISING EXCELLENCE

This year saw Community First, Inc. implement an Employee Recognition program. This program was written for the staff by the staff, with Operational Managers and Directors unable to be nominated.

The three categories for Employee of the Year are:

Innovation/ New Ideas;
Business Ethics; and
Savings (time/money).

Ten staff members were nominated and we would like to thank everyone who participated in this process.

The nominees were:

Mong Leng Connell
Tracy Neilson
Zena Gomes
Janet Mihaljevich
Amanda Jenks
Cathy Bingard
Elaine Schreurs
Natasha Dimer
Denise Platt

The three winners of the Employee of the Year each received:

Two nights accommodation for two people at a luxury hotel (value \$500)
Employee of the Year certificate
Their photograph placed on the portal
Their photograph placed in reception stating why they are Employees of the Year.

EMPLOYEES OF THE YEAR



Innovation/ New Ideas – Mong Leng Connell

I have worked in the area of migration for about 10 years, as a Migrant Welfare Officer and current member/ex-Chairperson of the Bunbury Migrant Resource Group Inc. I have also worked as a Research Assistant and Refugee Advocate. Most of my previous and current employment has been in the helping profession. Whilst I was involved in advocacy, information provision, support and counselling for migrants in the past, I am currently delivering the Personal Support Program and the job search training for migrants. These two programs also involved a lot of advocacy work, support, counselling and information provision. Other programs that I have been involved with in the past were case managing clients under the Job Network Programme and the Transition to Work Programme.

I have a degree in Aboriginal and Intercultural Studies and a Master of Social Science (Human Services) from Edith Cowan University.



Business Ethics – Zena Gomes

I have worked in various departments with Community First – from Transition to Work , to Training and Post Placement Support.

Regardless of which department, the common thread has always been assisting clients by providing support and encouragement to overcome barriers to achieve success, in what ever form this takes - from finally getting that job after numerous knock-backs to getting that longed for certificate, or something as simple as interacting with others.

There are enormous rewards in seeing people reach these goals.

I have been very fortunate to have been given opportunities and continuous support within the organisation to progress into different departments.

Community First is a 'community' within itself - this is a strong team of innovative and passionate people who have a fundamental belief in what we do.

It is important for me to work with people of this calibre because they allow me to strive to make a difference and embrace the challenge.



Savings (time/money) – Denise Platt

I started back with Community First Inc. in 1999, after leaving to have children, first in 1992, then 1995.

During my time at Community First I have worked on Front Reception and then later promoted to Personal Assistant. My role is interesting and varied; everyday is a learning experience. I relish the opportunity to take on new projects and further develop my skill base. The Executive Management of CFI is forward thinking, innovative and supportive to not only myself but all CFI staff.

I have had the opportunity to see CFI grow from a small not-for-profit organisation of approximately ten staff members with three sites (two in Mandurah, one in Bunbury) to currently over seventy staff members and five sites (three in Mandurah and two in Bunbury).

CFI is a great place to work.



Community First, Inc.

Financial Report

for the year ended 30 June 2005

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|--|----|
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STATEMENT BY THE BOARD OF MANAGEMENT

In the opinion of the Board of Management of the Community First, Inc. (CFI), the financial report as set out on pages 36 to 42:

1. Presents a true and fair view of the financial position of CFI as at 30 June 2005 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. The operations of CFI have been carried out in accordance with its Constitution.
3. At the date of this statement, there are reasonable grounds to believe that CFI will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



David Winter

Dated this 27th day of September 2005



INDEPENDENT AUDIT REPORT

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COMMUNITY FIRST, INC.

Scope

The financial report and the Board of Management's responsibility.

The financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes to the financial statements, and the statement by the Board of Management for the year ended 30 June 2005.

The Board of Management of Community First, Inc. (CFI) is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of CFI, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of CFI's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board of Management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of CFI presents a true and fair view in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of CFI as at 30 June 2005 and the results of its operations and its cash flows for the year then ended.

RSM BIRD CAMERON PARTNERS :: Chartered Accountants, Perth, WA



S C CUBITT
Partner

Dated: 27th day of September 2005



STATEMENT OF FINANCIAL PERFORMANCE

| | Note | 2005 \$ | 2004 \$ |
|--|------|-------------|-------------|
| Revenues from ordinary activities | 2 | 5 905 442 | 5 180 130 |
| Employee benefits expense | | (2 955 952) | (2 822 949) |
| Depreciation and amortisation expense | 3 | (256 600) | (261 806) |
| Borrowing costs expense | 3 | (49 083) | (50 700) |
| Other expenses from ordinary activities | | (2 413 126) | (2 010 269) |
| Profit from ordinary activities for the year | 13 | 230 681 | 34 406 |
| Total changes in equity | | 230 681 | 34 406 |

STATEMENT OF FINANCIAL POSITION

| | Note | 2005 \$ | 2004 \$ |
|--------------------------------------|------|------------------|------------------|
| CURRENT ASSETS | | | |
| Cash assets | 4 | 557 738 | 384 220 |
| Receivables | 5 | 157 792 | 377 294 |
| Other financial assets | 6 | 5 000 | 5 000 |
| Other | 7 | 50 796 | 53 138 |
| Plant and equipment | 8 | 309 693 | 219 842 |
| TOTAL CURRENT ASSETS | | 1 081 019 | 1 039 494 |
| NON CURRENT ASSETS | | | |
| Other financial assets | 6 | 5 000 | 10 000 |
| Property, plant and equipment | 8 | 1 636 892 | 1 130 179 |
| TOTAL NON CURRENT ASSETS | | 1 641 892 | 1 140 179 |
| TOTAL ASSETS | | 2 722 911 | 2 179 673 |
| CURRENT LIABILITIES | | | |
| Payables | 9 | 784 201 | 735 169 |
| Interest bearing liabilities | 10 | 114 344 | 249 657 |
| Provisions | 11 | 157 620 | 136 905 |
| TOTAL CURRENT LIABILITIES | | 1 056 165 | 1 121 731 |
| NON CURRENT LIABILITIES | | | |
| Interest bearing liabilities | 10 | 395 947 | 393 385 |
| Provisions | 11 | 19 950 | 17 686 |
| TOTAL NON CURRENT LIABILITIES | | 415 897 | 411 071 |
| TOTAL LIABILITIES | | 1 472 062 | 1 532 802 |
| NET ASSETS | | 1 250 849 | 646 871 |
| EQUITY | | | |
| Reserves | 12 | 373 297 | — |
| Retained profits | 13 | 877 552 | 646 871 |
| TOTAL EQUITY | | 1 250 849 | 646 871 |

The accompanying notes form part of these financial statements.

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

| | Note | 2005 \$ | 2004 \$ |
|---|-------|-------------|-------------|
| Cash flows from Operating Activities | | | |
| Receipts from operations | | 6 117 146 | 5 437 427 |
| Payments to suppliers and employees | | (5 295 997) | (5 311 993) |
| Interest received | | 7 798 | 15 357 |
| Interest paid | | (49 083) | (50 700) |
| Net cash provided by operating activities | 15(b) | 779 864 | 90 091 |
| Cash flows from Investing Activities | | | |
| Payments for property, plant and equipment | | (436 440) | (819 956) |
| Proceeds from sale of property, plant and equipment | | 33 636 | — |
| Proceeds from sale of investments | | 5 000 | 5 000 |
| Net cash used in investing activities | | (397 804) | (814 956) |
| Cash flows from Financing Activities | | | |
| Proceeds from borrowings | | 110 000 | 441 000 |
| Repayment of borrowings | | (66 834) | (126 741) |
| Payments for leasing | | (213 803) | (121 360) |
| Net cash provided by/(used in) financing activities | | (170 637) | 192 899 |
| Net increase/(decrease) in cash held | | 211 423 | (531 966) |
| Cash at the beginning of the financial year | | 346 315 | 878 281 |
| Cash at the end of the financial year | 15(a) | 557 738 | 346 315 |

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that have been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views and other mandatory professional reporting requirements of the Australian Accounting Standard Board and the requirement of the Associations Incorporation Act.

Community First, Inc. (CFI) is an association incorporated in Western Australia under the Association Incorporation Act.

The financial report has also been prepared on an accrued 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 CFI in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income tax

CFI is exempt from income tax under the provisions of Section 50-5 of the Income Tax Assessment Act 1997.

(b) Fund accounting

On occasions CFI may receive resources restricted for particular purposes. To facilitate observance of these limitations, the financial statements disclose separately those funds which are restricted or designated and those funds which are unrestricted.

- Restricted funds are those funds presently available for use, but expendable only for purposes specified by the donor. Furthermore, if the Board of Management specifies a purpose for the expenditure of funds, where none has been stated by the original donor, such funds are classified as designated funds.
- Unrestricted funds are those funds presently available for use by CFI at the discretion of the Board of Management.

(c) Revenue

(i) Employment services contracts

Revenue from the employment services contracts is recognised when the claims have been made with the Department of Employment and to match service delivery. Monies received in advance by CFI are recorded as Deferred Income in Payables in Note 9.

(ii) Other income

Revenue from training and fee for service is recognised when an invoice has been issued. Revenue for work for the dole and management is recognised as it is earned.

(iii) Accounting for grants received

Grants received are accounted for by distinguishing grants between revenue based grants and capital based grants.

• Revenue based grants

These grants are credited to revenue in the same period in which the revenue expenditure to which they relate is charged.





NOTES TO THE FINANCIAL STATEMENTS cont.

- Capital based grants

These grants are generally received for the acquisition of plant and equipment. The accounting treatment is to initially account for the amount of the grant as income when it is received. However recognition in the income and expenditure statement is deferred until the expenditure in respect of the acquisition of an asset is incurred.

(iv) Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(d) Property, Plant and Equipment

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

Cost and valuation

Plant and equipment is measured on the cost basis and the carrying amount of plant and equipment is reviewed annually 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 asset's employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The Strata titled land and building is measured on a fair value basis and at each reporting date, the value is reviewed to ensure it does not differ materially from its fair value. Where necessary, the asset is revalued to reflect its fair value.

Depreciation

The depreciable amount of all plant and equipment are depreciated over the useful lives of the assets commencing from the time the asset is held ready for use. For plant and equipment acquired prior to July 2001, the assets are depreciated on a diminishing value method and a straight line method for assets acquired from 1 July 2001.

The depreciation rates used for each class of asset are as follows:

| | Depreciation rate |
|---------------------|-------------------|
| Plant and equipment | 10–33% |
| Motor Vehicles | 15–22.5% |

(e) Employee benefits

Provision is made for CFI'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. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits.

Contributions made by CFI to employees' accumulation superannuation funds, are charged as expenses when incurred.

(f) Investments

Investments are measured on the cost basis.

The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments.

(g) Cash

For the purpose of the statement of cash flows, cash includes deposits at call with banks or financial institutions which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(h) Leases

Leases of plant and equipment, where substantially all the risk and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to CFI, 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 CFI will obtain ownership of the asset or 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.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(i) 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.

(j) Deferred expenditure

Costs incurred in gaining employment services contracts or in tender preparation, are charged to profit from ordinary activities as incurred or deferred, where it is expected beyond reasonable doubt that future economic benefits will be derived so as to recover those costs and in order to match revenue with related expenditure.

Deferred costs are amortised on a straight line basis over the shorter of the period that the related benefits are expected to be realised or three years.

(k) Short term acquisition of motor vehicles

During the year, CFI has entered into an agreement with a motor vehicle dealership, whereby motor vehicles were acquired on a short term basis. These motor vehicles are owned by CFI for a maximum of nine months or 15,000 kilometres. CFI is responsible for the licensing and comprehensive insurance on these motor vehicles. CFI also pays a monthly usage fee to the motor vehicle dealership and no profit or loss on disposal of motor vehicles is recognised by CFI upon disposal. These motor vehicles have been recorded as current assets and a corresponding current liability has been recognised in the financial report and the monthly usage fee is expensed.

(l) Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(m) Adoption of Australian Equivalent to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing from 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

CFI's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. As an entity that is categorised as a not-for-profit under IFRS, no material differences in CFI's accounting policies on the conversion to AIFRS are expected.

RELATED PARTY INFORMATION

(a) Members of the Board of Management

The members of the Board of Management and the names of members who served for the whole of the financial year, unless otherwise indicated, are as follows:

| | |
|--|--------------------------------|
| John Gillingham (Chairman) | Steve Milligan (Vice Chairman) |
| David Winter | Stephen Wiles |
| Peter Swift (appointed 25 August 2004) | Wendy Perdon |
| Jason Shereston (appointed 25 August 2004) | Keith King |

| | | |
|--|-----------|-----------|
| (b) The Board of Management's Remuneration | 2005 \$ | 2004 \$ |
| Honorarium payments to the members of the Board of Management of CFI | 20 608 | - |

(c) Transactions with members of the Board of Management that occurred during the year were on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

| | | |
|--|---------|---------|
| <ul style="list-style-type: none"> Motor vehicles purchased by way of finance leases, from Lane Ford, a business that Mr Steve Milligan is a Finance Manager of and in which he has no financial interest. | 58 020 | 34 370 |
| <ul style="list-style-type: none"> Motor vehicles acquired under a short term facility from Lane Ford, a business that Mr Steve Milligan is a Finance Manager of and in which he has no financial interest. | 578 447 | 333 591 |

SEGMENT INFORMATION

CFI operates predominantly in one business and geographical segment, being in the service sector assisting disadvantaged people to obtain gainful employment throughout Western Australia.

COMMUNITY FIRST, INC. DETAILS

On 11 May 2004, the Association has changed its name from Peel Training & Employment (Incorporated) to Community First (Inc).

The principal place of business of CFI is 98 Mandurah Terrace, Mandurah WA 6210.

REGIONS WE WORK IN

Mandurah Work Experience

Mandurah, Pinjarra, Dwellingup, Boddington, Waroona

Mandurah Maintenance Support

HACC Support, Visual Arts, + Creative Woodwork in Mandurah

Work for the Dole – Mandurah

Boddington Old School, Murray Community Support (Pinjarra, Waroona, Yunderup), Peel Environmental Care (Mandurah and surrounds, Dawesville, Melros, and Tims Thickett), Fairbridge – Pinjarra



ORGANISATIONS + SPONSORS

Balingup :: 1 Host Organisation - customer service

Boyup Brook :: 4 Host Organisations - customer service, general maintenance and groundkeeping

Bridgetown :: Sponsor: Manjimup Resource Centre
5 Host Organisations - clerical, general grounds maintenance and assisting at the local swimming pool during summer

Bunbury :: Sponsor: South East Work Experience
15 Host Organisations - customer service, child care, general maintenance, kitchen duties
Sponsor: The Dolphin Discovery Centre - dune restoration and construction of outdoor showers
Sponsor: Activ Foundation - assisting with the development of a sensor garden to assist those with special needs

Busselton :: Sponsor: South East Work Experience - customer service and general ground maintenance.
Sponsor: Friends of the South West - client pick up from Dunsborough and Margaret River. Duties include general maintenance and assisting the elderly within these areas

Donnybrook :: Sponsor: South West Community project - customer service, assist local community with the establishment of the amphitheatre

Harvey :: Sponsor: Bunbury Community Support
4 Host Organisations - customer service, groundkeeping, assisting the local high school, assisting the local aged-care facility

Margaret River :: Sponsor: Friends of the South West - Assisting the needy in the soup kitchen

Manjimup (inc. Pemberton + Northcliffe) :: Sponsor: Manjimup Volunteer Resource Centre - customer service, general maintenance and also assisting the timber park

Collie :: Several Host Organisations - customer service, child care, assisting those with special needs, and general maintenance

Greenbushes

Jarrahwood

Cowaramup

