

ORGANISATIONAL OVERVIEW CHIEF EXECUTIVE OFFICER

2004 marked the 150th anniversary of the foundation of our earliest work and the period which this report covers commenced with the celebration of that anniversary and the rollout of a number of related initiatives.

Our Annual Public Meeting, held at the South Melbourne Town Hall, was a great event. Many representatives of the sector, religious congregations and former residents and supporters were present. Deputy Premier the Hon John Thwaites launched "Holding onto Hope" the history of the seven founding agencies to MacKillop Family Services and Archbishop Hart spoke of the significance of these agencies within the churches ministry to the poor and disadvantaged.

The next day some 250 women and men, mainly former residents of the different homes, gathered in the morning at the Cecil Street Home for a further celebration of the event and the dedication of the historical archive and display space to mark the story of children in care. The archive was launched by the Hon Sheryl Garbut with moving presentations by John Brady, Melissa Brickell and Maurie. That afternoon 50 sector representatives gathered to learn more of the work of our Heritage & Information Service.

The events reinforced for us the long standing and continuing journey of care

within which our work today takes place. Like each earlier generation we are faced with challenges regarding changing community need, new directions in public policy and the constant struggle for resources. Just as we have benefited from the generosity of past generations we must lay sound foundations now which will support our work into the future. And so the last year has also seen the launch of both MacKillop Champions and the 150th Anniversary Capital Appeal. The first being aimed at recruiting corporate supporters for our day to day work and the second at the raising sufficient funds to enable the refurbishment and/or acquisition of more appropriate facilities for all our programs.

Before I elaborate on these initiatives I want to outline the five key areas of focus of our work today.

1. Services for Children and Young People with a severe or profound disability and their Families:

There are around 35,000 children and young people in Victoria with severe or profound disabilities. When a child in a family has a disability, the family is at great risk of being marginalized from the usual school and community networks, the family has to struggle to find ways of meeting the special and sometimes very demanding needs of their child with a disability, and great stress can be put on the parents



and siblings in the family to maintain relationships and balance.

MacKillop's Disability Services works with families to help them identify needs and solutions, supporting the whole family as well as the child with the disability, and helping the family to stay connected and supported in the broader community. We also provide accommodation for twelve young people with significant disabilities who are unable to live with their families. In 2004-05 MacKillop Family Services supported 400 such families. With the assistance of our services these families and children are able to grow together and take their place in society, and their social networks – ranging from holiday programs to more inclusive education systems – are strengthened so they can help support these families.

2. Services for Children and Young People who cannot live with their own families:

Each year around 8,000 children and young people in Victoria are judged to be at risk of abuse and neglect. About half of their number will be deemed

to be at such risk in their own families that they will be placed with relatives and friends or in foster care. Many will have complex needs and express their needs in challenging behaviour. For some young people placement in foster care presents too many demands for the volunteer caregivers and a more intensive form of support needs to be provided, and so about 400 young people each year are placed in residential care.

On any one night MacKillop Family Services is responsible for about 90 young people in residential care and another 150 children and young people in home based care. We have a range of both residential and home based care options, so that we can better meet the needs of children and young people in our care. We work to help these young people continue their education, develop self esteem and identity, and find a way to reconnect with their families. We also recruit, train and support the volunteer caregivers who bring children and young people into their own homes. Without this support, these young people are at high risk of being homeless, exploited, and marginalized from society.

3. Education and Training Services for Children and Young People:

As mainstream schools become bigger, more competitive and more performance conscious, some children and young people struggle. A consequence of instability may be that children's schooling suffers. While Governments promise to increase the range of

services that schools can offer, many schools still lack the resources to help struggling students. In areas of disadvantage in Victoria only 55% of students complete secondary education, whereas in more affluent areas the number is 95%. Some students are excluded from school much earlier in their lives. They have very limited options. Young people who fall out of education are at higher risk of falling out of employment and social connections.

This year around 250 students were involved in MacKillop's education and training services, including four small specialist schools, several education outreach services, and a furniture construction and restoration factory. These students receive special attention to their learning difficulties and behaviour concerns, and they now have a much greater chance of getting back into mainstream education and employment.

4. Services for disadvantaged Families and Communities:

Melbourne's west is an area of pronounced disadvantage and poverty. The SEIFA (Socio-Economic Indexes for Areas) index of relative disadvantage, based on 2001 Australian Bureau of Statistics Data, shows that the City of Maribyrnong and the City of Brimbank rank second and third, after the City of Dandenong, as the most disadvantaged local government areas in Victoria. Furthermore, the suburb of Braybrook ranked as the most disadvantaged suburb in Victoria. The connections between location and cumulative disadvantage have been well documented. It is now

known that interventions which focus on integrating support for families, which develop education and which strengthen communities successfully address such need.

Around 700 families received a range of MacKillop services in Melbourne's western suburbs this year. Our work includes parenting education, material aid, and intensive family support. These services help families to address their issues and work towards goals, but also link families to schools and other community resources and networks, thus breaking down their isolation and increasing their resilience.

5. Support Services for Former Residents and their Families:

In August 2004 the Senate Community Affairs Reference Committee released its report entitled "Forgotten Australians", regarding people who experienced institutional or out-of-home care as children in Australia. The Committee reports that around 500,000 Australians grew up in care during the last century, with many having a range of pressing and particular needs as a result of their separation from their families and their time as children in large institutions.

MacKillop is committed to working with the issues the Report raises. Our Heritage and Information Service provides support for those who grew up in the various children's homes cared for by our founding agencies and congregations. Over 250 people contact the service each year seeking assistance. This includes helping them to find their story, to become connected

with contemporaries and carers, to deal with the hurt of the past, and to tell their story. In October 2004 we opened our new archives, holding over 100,000 files, and launched *Holding on to Hope*, the history of the institutions that preceded MacKillop Family Services.

These five program areas are the core of what our organisation is about, supporting children, young people and their families to achieve their potential. It is the job of our management team and support staff to create an environment and marshal the resources that enable these creative responses to thrive. I have set out below a brief summary of the work of our four support areas:

PRACTICE AND POLICY UNIT

The Practice and Policy Unit carries out a wide range of tasks, but all of them have to do with helping improve services and addressing disadvantage through the use of information and knowledge. The theme for the last year has been

“Adding Value to Practice” and the information and knowledge gained can initially appear in many forms, for example:

- Feedback gathered from people using our services
- Concerns and suggestions discussed by staff
- Journals and papers reporting successful practice changes
- Quantitative data on service achievements
- Government reports
- Funding body requirements.

The Units task is to help organise this knowledge so that the relevant information becomes accessible and useful. The organised knowledge in the past year has appeared in a variety of forms, for example:

- An annual report on research and advocacy projects
- Reviews of residential and home-based care services

- Developing action-reflection models for practice development of family and community services
- Research into the number and the needs of young people with mental health concerns who are placed in care
- Tenders for developing services
- Papers on our work with Aboriginal communities
- Advocating for families with a child who has a disability
- Getting MacKillop's good practice documented, communicated and recognised
- Submissions to inquiries and consultations on the reform of the Children & Young Persons Act
- Development of guides to good practice in out of home care, education and disability services
- Maintaining a library data base
- Tools for the implementation of our





Overarching Practice Framework

- Policies to guide organisation processes and service delivery
- A quality assurance assessment of MacKillop Family Services using the Australian Business Excellence Framework adapted for community organisations
- A new Strategic Plan for MacKillop Family Services.

We have had students from Monash University, Australian Catholic University and Victoria University on placement at the Unit, and three staff members on secondments. The major research projects have been focussed on:

- Care-giver and volunteer feedback
- Flexibility and responsiveness of disability services
- Disability and mental health issues for children and young people in out of home care
- School attendance and non-attendance of children and young people in our services
- Cost-benefit analysis of residential care
- The participation of young people in residential care
- Best practice in early intervention with at-risk young mothers.

The Practice and Policy Unit plays an internal role in MacKillop to help develop a reflective learning organisation which is able to anticipate and meet the demands of change. Externally, Unit staff continue to build partnerships

with service-user groups, universities, peak bodies and government departments in order to further research and advocacy. This sharing of concerns and information helps advance advocacy campaigns and improve research capacity. In the past year particular attention has been paid to federal welfare reform and changes in state legislation affecting disability services and child and family welfare. A review of the Unit was undertaken by an external consultant, Kate Redwood, with very positive findings.

HUMAN RESOURCES UNIT

The total number of employees increased from 367 in June 2004 to 396 in July 2005. This includes full and part-time, casual and stipend staff. Turnover reduced from 21% to 14% which is a significant decrease in one year considering that turnover averaged at 24% over the previous 6 years. These numbers indicate an increased level of stability and satisfaction within the organisation. During the year we completed our first organisation satisfaction survey where 168 employees provided feedback on the strengths and areas of improvement of the organisation. The survey provided important data for the strategic planning exercise held in the first part of 2005.

We have continued producing two staff training calendars each year that reflect the following categories: Mandatory Training, OH&S, Management & Supervision and Discretionary Training. In the last year we also introduced the Diploma

in Frontline Management where staff, either new to leadership responsibilities or with leadership potential, were nominated to complete this qualification.

Similarly, we introduced the Certificate IV in Protective Care for Residential Care Workers in response to DHS and the sector's efforts to increase the level of qualifications amongst Residential Workers. In addition, a number of employees completed Certificate IV Assessment in Workplace Training so that a core group of staff, who currently lead small teams or have training responsibilities within their job role, are able to deliver more professional & competent training within their teams and assist in assessing competencies against national benchmark standards.

In late October 2004 the MacKillop 'Healthy Workplace Strategy' was also launched involving a number of initiatives aimed at creating a safer workplace, reducing accidents and injury and creating an environment where all staff can reach their full potential. Associated with this initiative has been a fundamental redesign of our approach to occupational health & safety. Building upon longstanding work in this area we have reviewed the structure the Health & Safety Committee and nomination of Designated Work Groups across over 60 individual sites/locations. In addition, MacKillop has strengthened its partnership with WorkSafe emphasising a proactive and strategic approach.

FINANCE UNIT

The Finance Unit is responsible for overseeing and managing the organisations finances, payroll, investments, budgets, IT systems, properties, insurance and vehicle fleet. Staff in the unit support managers and administration staff on administrative issues right across MacKillop.

In carrying out these functions the Unit is responsible for:

- Reporting monthly on over 120 services
- Managing an operating budget of over \$26m
- Overseeing investments of approximately \$20m
- Managing the Wide Area Computer Network which encompasses over 250 computers
- Managing a fortnightly payroll for over 380 staff
- Overseeing more than 60 properties and all major capital refurbishments
- Managing the vehicle fleet of 130 vehicles

The past 12 months has also seen the completion of the first floor refurbishment at the Barwon Regional Office and the second stage of works at St Augustine's in Whittington. With the assistance of Deakin University, the Shoreham Camp site received a major upgrade in the dormitories, outside decking, games room and landscaping. Further works to upgrade the ablutions block at Shoreham are planned in 2005-2006.

The IT department has completed a major face lift to the MacKillop Website, created a new Web site for MacKillop Champions (business sponsors) which

included an on-line donations section, created a data base for the new Innovations Service at St Anthony's and completed a Day Sheet module for residential care services, an Incident Reporting module and the Disability Services module as part of the MacKillop Relational Database System (MRDS).

DEVELOPMENT UNIT

The Development Unit provides fundraising, public relations, events and marketing support for MacKillop Family Services. A major focus of its work is to match donors of funds, goods and services to appropriate programs and services needing support.

Much of its work is 'off balance sheet' – that is the work does not appear on the financial statements of MacKillop Family Services. An example of this is the donation by Deakin University Building and Grounds Division of 120 staff for one day to work on our Shoreham Campsite for seven hours. The 840 hours of labour resulted in the completion of a large outdoor deck, re-fencing two boundaries, the painting of five small dormitories and major landscaping works. In all over \$70,000 labour and supplies was donated on that day, yet it won't appear in our financial reports.

Other examples include the donation of tickets to events and the donation of toys, Easter eggs and Christmas treats for use by children and young people in our care. We have also had donated media time and space and the gift of a radio and television commercial (which should be to air by the time this report is published).

In last year's report we reported that our donor communications were being redeveloped in the light of the donor survey 'Six Ways We Can Help You'. This led to major cost savings and therefore better stewardship of donor funds. I am delighted to report that Fundraising Institute Australia Inc awarded its prestigious Award for Excellence for this work at its National Conference in February this year.

This year, we launched a major new initiative, MacKillop Champions, which has attracted the support of over 60 companies, to date. While the aim is to encourage financial support from these companies, significant gifts-in-kind have already begun to flow from these new relationships.

There is a great team of volunteers who run our Opportunity Shops in Newtown (Geelong) and at Ocean Grove. The funds that they have generated assist St Augustine's Education and Training and the work of the Barwon Region respectively. This year we implemented volunteer shop managers, and this has helped to pass more of the responsibility for decision making to the volunteers themselves. I congratulate them on their achievements.

FINANCIAL PERFORMANCE

With expenditure of \$26,385,922 in the last year the annual budget is now two and a half times the size of our first budget in 1997. The Board has recommended to the Members a long term, prudent and diversified investment strategy to support these demands both in the immediate and longer



terms. Budgeting on an annual return of 9% (capital growth & return) for domestic and overseas equities allows us to develop a consistent budget framework, whilst acknowledging that in some years returns will fall short of this mark and in others it will exceed this mark. The result of the good years is then "stored" to ensure provision for the lean or poor years. This approach enhances the continuity of service delivery through changing economic circumstance.

2004/05 has seen another strong year in the equities markets and the surplus from ordinary activities of \$980,189 is directly attributable to this growth. Regrettably it masks significant cost overruns in our Northern and Barwon residential services of \$99,132 and \$393,801 respectively.

Extraordinary income of \$1,006,437 for the Capital Appeal and transfers of \$1,575,028 and \$3,433,531 from the Sisters of St Joseph and the Christian Brothers respectively create a surplus from extraordinary items of \$6,014,996. The early success of the Capital Appeal and the continuing generosity of the founding Orders is of great encouragement.

POLICY DIRECTIONS & STRATEGY

MacKillop has sustained significant participation in

sector and representative bodies since inception. John Honners' participation with VCOSS, Anne Condon and Helen Burt's with the Board of the Centre for Excellence, Karyn Hobday with ACROD and my own involvement with Catholic Social Services, the Ministerial Advisory Committee and the Victorian Childrens Council are evidence of this.

Externally this gives us the opportunity to promote our learnings in collegiate settings and to influence the major policy reforms taking place in disability and child welfare sectors at present. Internally it gives us greater capacity to interpret the external environment and mediate its demands on the organisation.

The Board approved at the end of the reporting period our third strategic plan. Its theme of "people are our first priority" is well described in the opening pages of this report. The plan has been built up through an exhaustive consultative process with clients, funders, volunteers and staff, and it sets very clear and exciting directions for the organisation over the next five years. A review of our management structure accompanied the adoption of the Strategic Plan. This new structure is set out on page 4.

THANKS

MacKillop's work is sustained through a myriad of partnerships and relationships across most of metropolitan Melbourne and Geelong. I want to take this opportunity to acknowledge our funding bodies (the Commonwealth and Victorian Governments), supporters and stakeholders for the commitment, opportunities and resources they bring to the table. Similarly, we enjoy the opportunity to contribute to and in turn we derive benefit from the representations of our peak bodies (VCOSS, Catholic Social Services, the Centre for Excellence in Child and Family Welfare, ACROD, CIDA and the Catholic Education Office).

I am fortunate to be supported by an exceptional senior management team and a wider group of managers whose expert knowledge, compassion and hard work is obvious to all who know our work. Similarly we are guided by an enquiring Board of Directors who encourage us to go beyond what is comfortable.

In concluding, I would like to especially thank our staff, carers and volunteers for their outstanding work over the past 12 months. The competence and expertise of our support staff provides a high standard of support to staff and managers across MacKillop. In turn our volunteers, carers and staff in direct service time and time again manifest the exceptional qualities which bring alive our values and really make a difference. It is their story that is outlined in the following pages. I encourage you to read on and in this way to join with them in this important work.

Paul Linossier
Chief Executive Officer

