

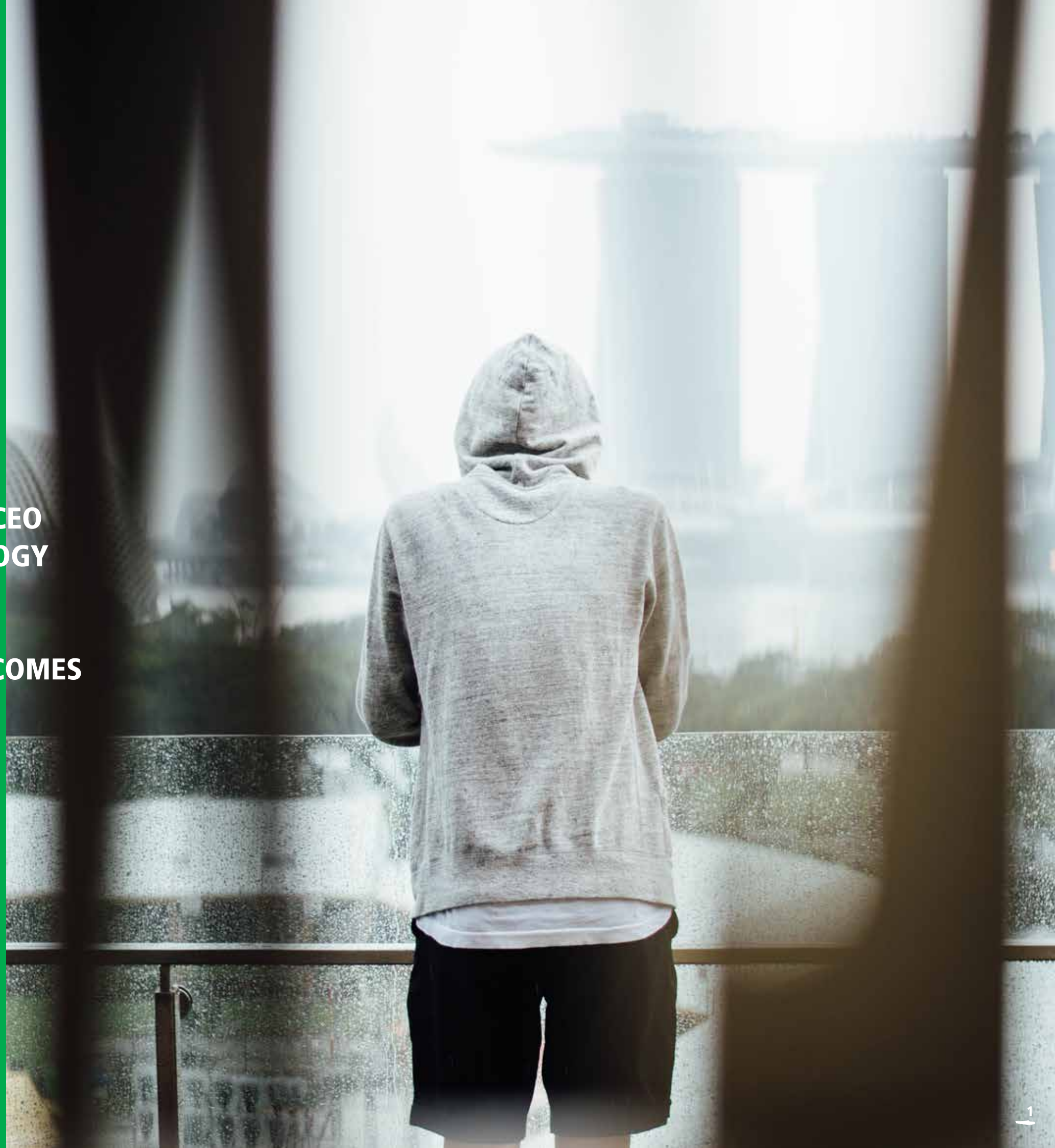
ANNUAL REPORT

2016-17



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WHO
WE
ARE

OUR PEOPLE

Our workforce is the heartbeat of our organisation

We are committed to building and strengthening our team of people who love their jobs and are passionate about ACSO's vision, values and mission.

OUR VISION

A safe and inclusive community, free of crime and prison

Initially operating as a drop-in centre over 30 years ago, ACSO has become a leading provider of forensic and community support services. We provide specialist support responding to unemployment, mental illness, disability, homelessness, substance use and offending behaviour across metropolitan and regional Victoria, New South Wales and Queensland.

Our purpose remains unchanged three decades on; to create a safe and inclusive community for everyone.

Our ethos is to 'create another chance' and how we go about doing it portrays our values.

We provide a "wrap around" service delivery model that integrates prevention, early intervention, and diversion through to reintegration programs to achieve better outcomes for our clients and the communities we serve.

OUR MISSION

We help people transition from prison, assist them in the community, stop them from reoffending and intervene to divert others from committing crimes

Our mission is to influence change in the lives of people who have found themselves in the criminal justice system; people with chronic addiction, mental illness and intellectual disability – people who in so many ways are often victims themselves.

Fundamental to our work is the belief that everyone deserves another chance and our values and the behaviours that underpin this are at the core of everything we do.

Our goal is to 'break the cycle of crime' by increasing social inclusion and economic participation for all Australians.

OUR CORE VALUES

PASSION

Our heart and passion is at the core of everything we do.

BELIEF IN HUMANITY

We believe that everyone deserves another chance and is entitled to opportunities which can help them to change their lives and realise their potential.

INTEGRITY

We are genuine in our relationships with clients and each other, always true to ourselves and courageous in our approach.

PIONEERING SPIRIT

We are willing to explore and develop new and innovative solutions and take on the challenges that confront us.

OUR OPERATIONAL GOALS

RECOVER

We promote, support and believe in the values of hope and recovery in all aspects of our work.

REHABILITATE

We develop rehabilitation programs that divert people from committing crime or reoffending by helping them address and change problem behaviour.

REINTEGRATE

We reintegrate people from prison back into the community, housing them and assisting them to successfully re-enter the workforce.

OUR COMMITMENT

REDUCING RECIDIVISM

Almost 50% of people who have served a prison sentence return within 2 years. At ACSO, we are committed to breaking the cycle. It's our aim through our in-prison and post-release programs to reduce overcrowded prisons, remove the revolving door and help them get their lives back on track.

"Doing this in Victoria, New South Wales and now Queensland (both in prison and through the gate), we have worked with over 3,200 people this year"

DIVERT PEOPLE FROM A LIFE OF CRIME

ACSO are committed to diverting people from committing offences and preventing them from ending up in custody. It's not just people in prison, we also work with people on court and Community Corrections Orders to help them stay out of prison and reintegrate into the community.

"We do this in Victoria and New South Wales and this year, we worked with over 15,600 people"

EARLY INTERVENTION

It's not enough to simply work with people only once they have committed an offence. We work with people who have complex risks and needs at risk of committing offences. Disengaged youth, people with drug and alcohol issues, mental health issues and intellectual disabilities are all over over-represented in the forensic population.

"This year we worked with over 8,000 people to get them into supports and make changes before their lives get out of control"



OUR SERVICES

DRUG AND ALCOHOL INTAKE, ASSESSMENT AND REFERRAL SERVICES

ACSO provide Intake, Assessment and Referral Services for drug treatment across Victoria.

Our range of diversion and early intervention programs are designed to reduce contact with the criminal justice system.

FORENSIC DRUG TREATMENT SERVICES

We are proud to deliver Victoria's only specialist drug and alcohol assessment, treatment planning and purchase of drug treatment service for people in the criminal justice system. Our services incorporate the Community Offenders' Advice and Treatment Service (COATS); and the Responsive Assessment, Planning, Intervention and Diversion Service (RAPIDS).

COMMUNITY BASED MENTAL HEALTH INTAKE AND REFERRAL SERVICES

ACSO provide specialised community based mental health programs across regional Victoria to facilitate intake and referral to suitable treatment.

CASE COORDINATION AND OUTREACH SERVICES

ACSO provide disability outreach services for clients with intellectual disabilities and/or cognitive impairments; post release support for men and women exiting prison; and NDIS programs for clients with intellectual disabilities and/or cognitive impairments

POST RELEASE REINTEGRATION PROGRAMS

ACSO services deliver post release reintegration in Victoria, New South Wales and Queensland. Our programs aim to connect participants to appropriate services and social support and promote community connection whilst building autonomy and self-directedness.

CLINICAL SERVICES

Our clinical services are designed to provide specialist intervention for juveniles and adults with intellectual impairments and are at risk of committing or have committed sexual offences, and to reduce their likelihood of engaging in problematic behaviour.

RESIDENTIAL SERVICES

Our residential services span 10 programs across Victoria providing short, medium and long-term community based support for forensic clients with intellectual disabilities and/or high-risk behaviours.

EMPLOYMENT SERVICES

ACSO are proud to have formed a partnership with Workways, a member of the CoAct Consortium, to provide Disability Employment Services (DES) and Jobs Victoria Employment Network (JVEN) assistance to unemployed people with disabilities, mental health issues and forensic backgrounds.

ACSO also deliver Transition to Work services in New South Wales, assisting disengaged youth return to study or secure sustainable employment.

REHABILITATION AND RECOVERY SERVICES

Our residential therapeutic programs are individually tailored to our clients. We facilitate day programs promoting community connectedness for clients, including peer support and consumer advocacy programs; Behavioural Intervention Management for clients subject to restrictive correctional and/or Compulsory Treatment Orders; and VicRoads Safe Driving Programs.



A MESSAGE FROM OUR NEW CEO



VAUGHAN
WINTHER

I'm very proud and humbled to be given the opportunity to lead ACSO as CEO.

My ACSO journey started in 2008 as Deputy Chief Executive Officer and later as the organisation expanded overseeing all client services, strategy and risk as Chief Operations Officer. I am proud and excited to have been appointed by the Board to be ACSO's new CEO. I follow in the footsteps of two visionary leaders and custodians of ACSO's history, Tony Calabro and Karenza Louis-Smith. In 9 years I have been witness to the organisation evolving and have influenced this evolution.

The past 12 months has been a mixed journey for ACSO; full of promise, success, change and challenges. Our CEO of 6 years, Karenza Louis-Smith departed and has left a legacy of innovation, creativity and purpose. Under Karenza's leadership ACSO has transformed into a sustainable organisation delivering services in Victoria, New South Wales and South East Queensland. Since 2012, ACSO's annual revenue increased from \$15m to \$40m. I, the Executive and many staff at ACSO are indebted to Karenza for her strong mentoring, support and vision.

During the year we've made important progress on strategic objectives related to Sustainable Growth diversifying our funding and building capability in our technology systems. However, over the next 12 months there is significant work to be done to ensure that our growth is consolidated, our capability to deliver best practice forensic support services is improved and our vision for the '1 ACSO culture' is realised.

PROMISE AND SUCCESS.....

Our growth continued during the year with expansion into new markets and funding contracts with Corrections Victoria to deliver reintegration services and DHHS (Victoria) to deliver forensic AOD intake and assessment were strengthened and extended. We welcomed new members into the senior leadership team, Chief Information Officer, Zoran Brzakovic and Gabby Thomson, General Manager; Operations for Victoria.

In September 2016, we commenced providing reintegration services for adult parolees across South East Queensland and also started delivering Australia's first recidivism based Social Impact Investment contract across metropolitan Sydney in New South Wales. This successful expansion into the northern states helps diversify our funding base in Victoria.

Building data and technology capability is a key pillar of our 2015-2020 Strategic Plan. In 2016 our investment and focus to transform our Client Management System intensified. We purchased the Pega 7 platform and created "OCSA", a next generation, secure web based integrated CMS/CRM that will transform the way we manage and report client information and the way client and aggregate level data is shared with our funders and stakeholders. Our implementation of OSCA is underpinned by a significant change management process, an ICT subcommittee of the Board with dedicated project management and training resources. OSCA will commence going live in December 2017, with programs being constructed and rolled out during 2018.

In Victoria, we implemented a new specialist offender employment program as part of the Job Victoria Employment Network (JVEN) in partnership with Workways Australia and commenced providing community forensic AOD counselling for the first time as part of a 'wait list blitz' in Metropolitan Melbourne. As we go to print, we are the preferred bidders for a number of new funding initiatives; \$5.2m to purchase and build social and supportive housing for ex-offenders in regional Victoria as part of the Victorian Homelessness Strategy Phase 2 and \$1.9m to operate a new 8 bed forensic disability residential service for post sentence offenders.

CHANGE AND CHALLENGES.....

Balanced against the progress on our strategic objectives outlined above, we have experienced numerous challenges that need attention and focused resources. In 2017 a number of our contracts reduced or ended creating funding pressures and the need to restructure ACSO's operating model and business support divisions. Two key contract changes were; the reduction of 60% in our Voluntary AOD Intake and Assessment program and the

ceasing of our Disability Employment Services. Other contract closures also included the ceasing of the DUETS Dual Diagnosis program, the Vicroads Safe Driving program and Work for the Dole program. These changes resulted in a 'write down' of \$4.5m for ACSO's 2017/18 budget.

Our senior management team has undergone changes in 2017 with the Chief People Officer and the CEO departing in addition to a number of other program managers due to changes to funding contracts.

THE NEXT 12 MONTHS.....

I have been working closely with the ACSO Board to assess what our key focus needs to be for the next 12 months and leading up to the next strategic plan in 2020. After such significant change for the past 3 years and ongoing community sector reforms, ACSO's focus will be on 'managed growth'. We will continue to grow our services at a reduced pace and any new opportunities will be leveraged off our current core services (residential, assessment & co-ordination, case work services and clinical services). We will not be diversifying our services away from offender related support programs and our areas of focus will remain in Victoria, Queensland and New South Wales.

ACSO will now enter a period of 'managed growth', the primary focus will be reviewing and enhancing our quality systems to ensure our recent growth is successful. Resourcing and focus will be put into: staff training, forensic practice development, knowledge/document management systems, program evaluation and the roll out of the Technology One enterprise software.

ACSO's external environment will also continue to need our attention; there continues to be uncertainty regarding the NDIS reforms and Corrections departments continue to roll out new, legislation, programs and initiatives in response to Government and community concerns regarding crime and safety. Collaboration with our stakeholders is a priority, sharing our information and capability with government, stakeholders and the community will help shape policy and practice in preventing reoffending.

I look forward to building new partnerships as ACSO's CEO, welcome opportunities for collaboration and look forward to leading the organisation to deliver the 2015 – 2020 Strategic Plan.

Vaughan Winther
ACSO CEO



INFORMATION & TECHNOLOGY

We are committed to using technology to innovate in all facets of our work. It's critical that technology can support our mobile workforce to deliver strong client and community outcomes. Over the past year, we have worked to further develop our technology strategic plan and vision for the future.

In 2017, ACSO commenced the refresh of the Penelope Client Management System. OSCA, as it will be known,

represents a significant investment to both ACSO and the sector we work in and across.

Recognising that ACSO cuts across a diverse service sector, we needed to invest in the right system to make interactions with the sector simpler, but at all times focusing on positive client outcomes.

The vision underpinning the program can be captured in these four statements:

TRANSFORMATION THROUGH TECHNOLOGY:

OSCA will transform the way ACSO works with our clients and how we collaborate with our community partners to achieve our vision of a safe and inclusive community freed of crime and prison.

CLIENTS WILL ONLY NEED TO TELL THEIR STORY ONCE

OSCA will support information sharing and collaboration between multiple agencies, working with the same client, delivering greater co-ordination and better client outcomes.

OSCA IS FLEXIBLE AND INTUITIVE AND IS SIMPLE AND EASY TO USE

This will ensure our people and our partners spend more time with clients and less time completing administration tasks. It will enable staff and managers to have their "hands on the levers", driving optimal program performance.

OSCA WILL OPERATE ON AN OPEN PLATFORM

OSCA can interface and push and pull information between systems, reducing staff time and duplication. OSCA can drive policy and planning through integration.

OSCA is due to go live to the Drug & Alcohol sector in March 2018, but internally in December 2017. For further information on OSCA, visit our website: www.osca-cms.org.au

20 YEARS OF COATS

Established in 1997, this year marks 20 years of operation of the Community Offenders Advice and Treatment Service (COATS) program. COATS is a state and federal government funded health program established to provide prioritised assessment and treatment for individuals who have come in contact with the criminal justice system and have an alcohol or other drug (AOD) concern.

Over the last 20 years, COATS has become Victoria's state-wide assessment and treatment brokerage service for all forensic AOD consumers in Victoria. It is unique to Victoria, with no other jurisdiction providing a centralised, specialised and priority service for clients with identified forensic needs.

DEVELOPMENT OF COATS

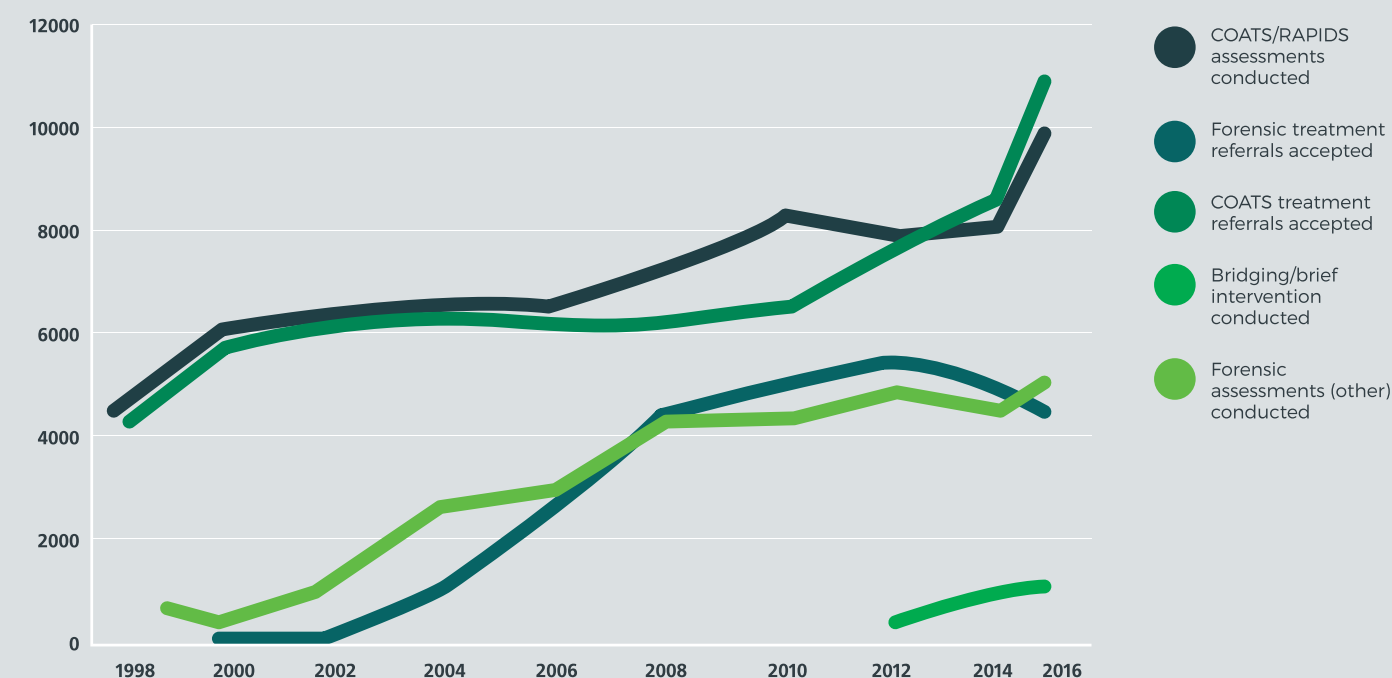
COATS was initially established as a state-wide service to provide assessment and brokerage of AOD treatment services for Victorian offenders on community based dispositions. It was developed with a main office in Melbourne and several regional offices to enable coverage across the whole state. Referrals to COATS were primarily from i) Community Correctional Services (CCS) for offenders on community correctional orders with an AOD assessment/treatment condition; or ii) Adult Parole Board (APB) for offenders to be released from prison with a parole order including an AOD assessment and treatment condition.

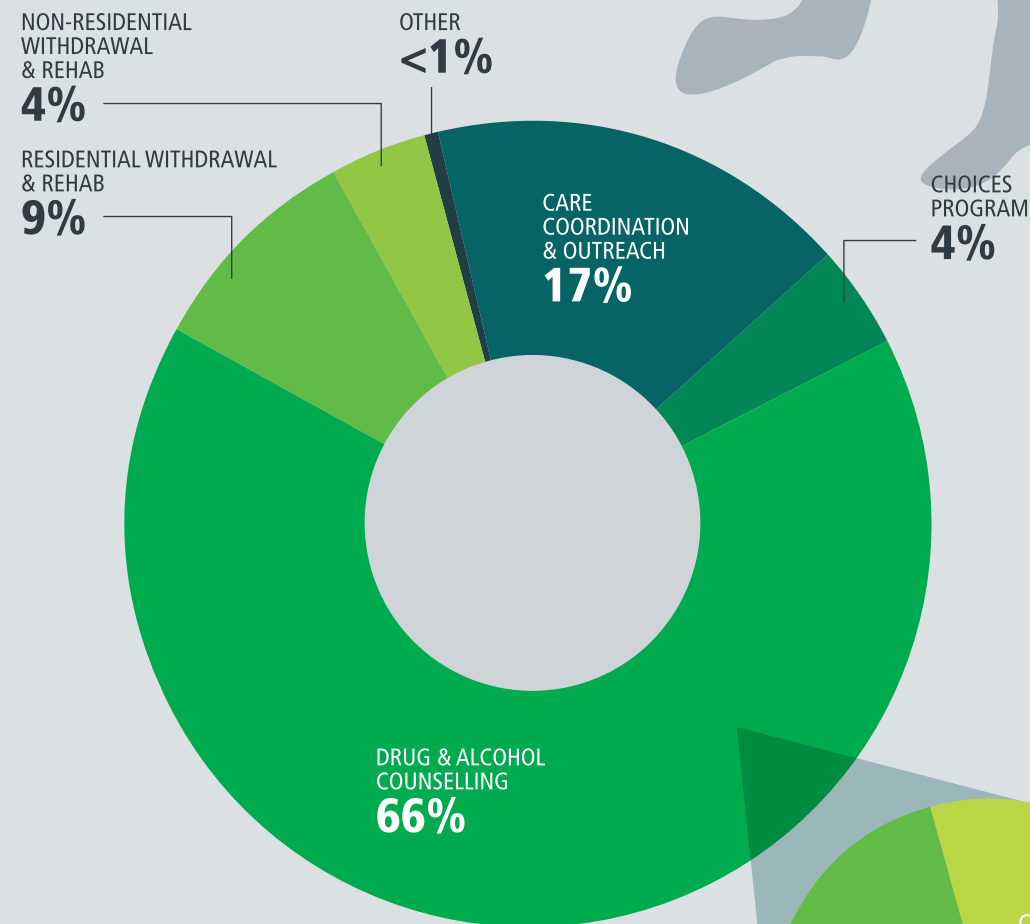
During the subsequent years, several other referral sources, stakeholders and services were added to the core COATS program. These services utilised the COATS AOD assessment and/or treatment brokerage functions and the model began to provide services for

a range of court and diversion programs, starting with youth justice, the Children's Court, and self-referred straight prison releases.

As each court program commenced in Victoria, COATS maintained its status as the go-to solution for a therapeutic jurisprudence response for clients with AOD concerns. From some perspectives, it may appear that COATS hasn't changed much in its years of operation. However, whilst client numbers grew significantly, COATS has also absorbed significant increases in complexity across the system, the treatment sector, funding processes and sentencing, correctional and AOD policy. ACSO prides itself on the fact that COATS has continuously transformed to seamlessly absorb growth and complex changes so that the clients' experience of the system has not been compromised.

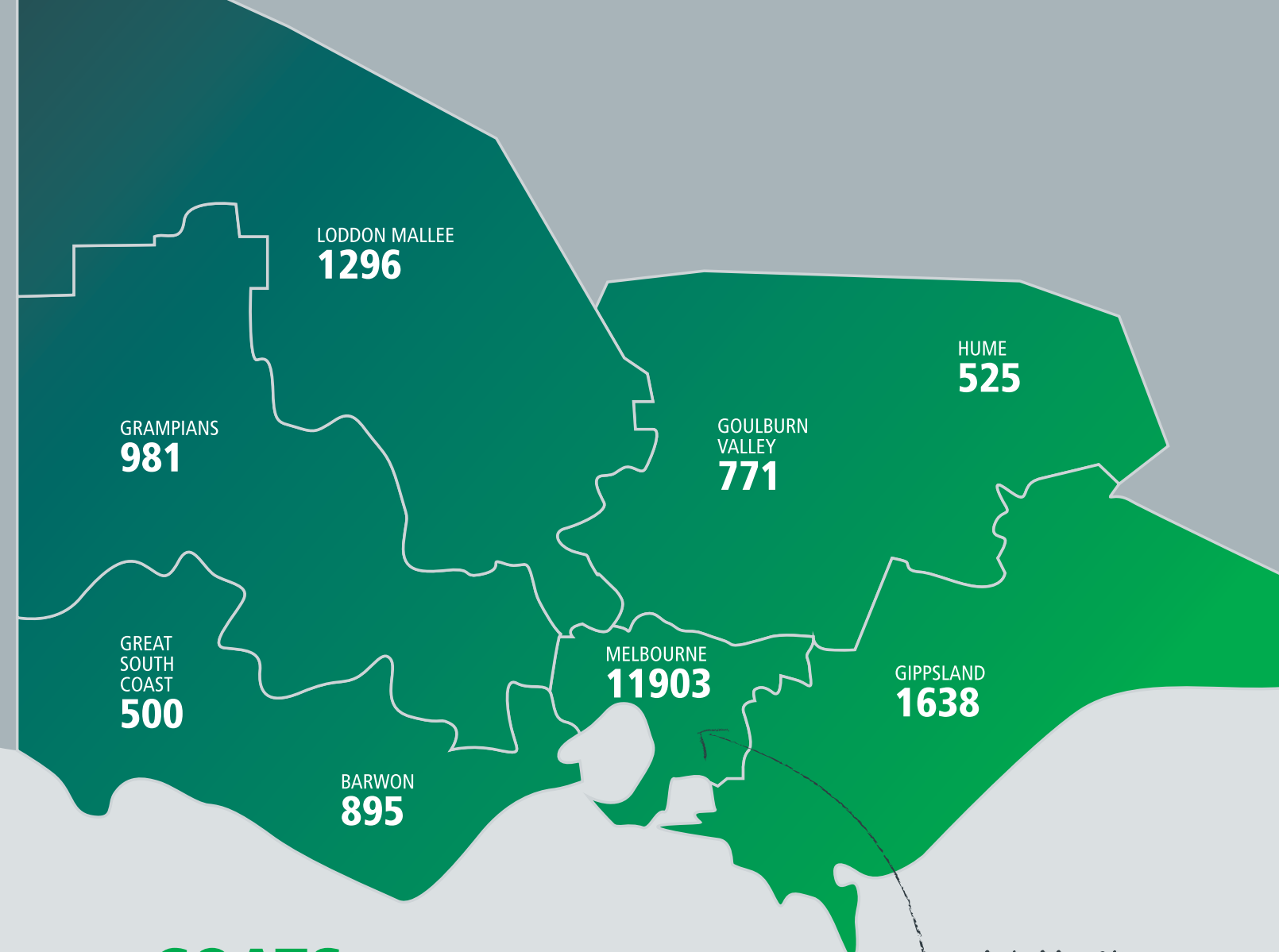
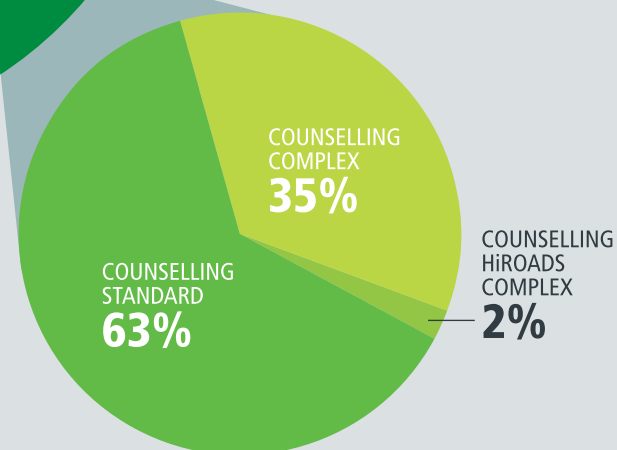
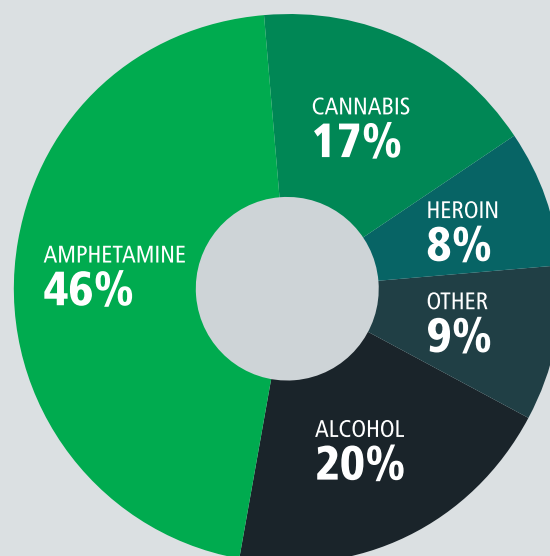
GROWTH IN COATS ASSESSMENTS AND TREATMENTS: 1998-2015





COATS 2016-17

Referrals to COATS increased in 2016-17, to over 19,000, while assessments conducted for COATS at almost 14,500 in 2016-17 were slightly down on the 15,000 conducted in 2015-16. Referrals to treatment increased most dramatically, exceeding 18,400 in 2016-17, up from 16,700 in 2015-16.



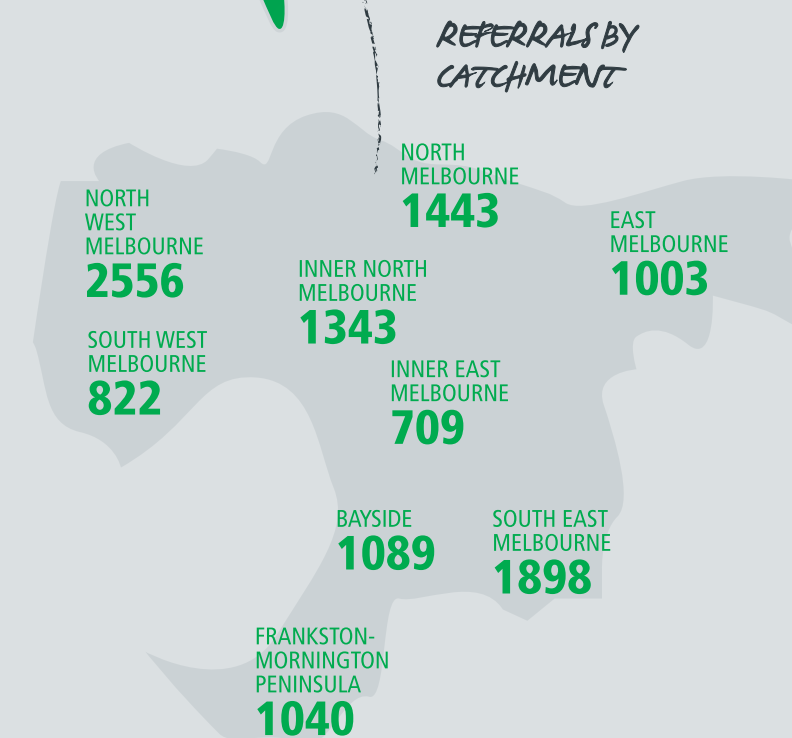
COATS THE FUTURE

Victorian and Australian illicit drug use and the context for criminal justice policy has changed greatly since COATS first began in 1997. Key emerging challenges include:

- The offender population is continuing to grow
- Demand for forensic drug treatment is increasing and access to treatment is harder
- Client complexity is changing and challenges for effective service delivery continue to evolve
- The costs of crime are increasing and expenditure by Australian governments on the criminal justice system are increasing.

ACSO will continue to work with our partners in Corrections Victoria and the DHHS to develop new and innovative

approaches to ensure that forensic drug treatment clients get access to the most appropriate drug treatment that address their criminogenic behaviours and the nexus of substance use and offending.



PROGRAMS

\$ CLIENT OUTCOMES

ACSO offer a wide range of support programs and services across Victoria, New South Wales and Queensland. We are pleased to present to you a selection of these programs and the successful outcomes achieved by our clients.

TRANSITION TO WORK (NSW)

Transition to Work (TtW) is an employment services program that is funded by the Department of Employment that assists young people aged 15-21 on their journey into work. TtW provides up to 12 months of support to young people who have disengaged from mainstream education and may not have achieved a year 12 certificate or equivalent level qualification. TtW is not specifically targeted toward young people involved in the criminal justice system. However, ACSO recognises employment and education as a deterrent for young people from entering the cycle of crime and incarceration.

TtW utilises an 'Advantage Thinking' model. Advantaged Thinking is a strengths-based model and represents a paradigm shift in the way we think about and respond to young people experiencing disadvantage and exclusion. It shifts away from deficit, disadvantaged or problem-saturated thinking, towards advantaged thinking and acting. It is focused on identifying, developing and, most importantly, investing in the skills, capabilities and assets of these young people so that they can establish sustainable lives.

ON TRACC (NSW)

The On TRACC program (Transition Reintegration and Community Connections) is the first Social Impact Investment Bond focused on recidivism in Australia. On TRACC is part of a joined service delivery approach between ACSO, arbias and Corrective Services New South Wales. We provide support to 600 medium to high risk parolees in NSW over 12 months, aiming to reduce reoffending. Parolees move through three distinct phases of the program; Intake and Assessment, Post Release and Aftercare. On TRACC staff work collaboratively with Community Corrections Officers on the front line to proactively engage parolees. Linking them with community supports and assisting them reintegrate safely into their communities and remain crime free.

ON TRACC CASE STUDY

On TRACC recently successfully exited one of our first clients. Michael* remained crime free in the program for 12 months. Michael is a 32-year-old male with an Acquired Brain Injury, a long history with the criminal justice system as well as alcohol and drug abuse. Michael has completed his fourth period in custody, a 14-month sentence for common assault; his father was the victim. Just prior to Michael's release he deliberately electrocuted himself. Michael was transported from gaol to hospital for heart surgery and was to be discharged to temporary accommodation, which was two nights in a hotel.

On TRACC staff commenced working with Michael whilst he was in the hospital, visiting him regularly to identify his needs, goals, strengths and barriers to a safe transition into the community. Michael and his Case Worker developed a plan together to facilitate his transition. Over a 12-month period On TRACC managed to support Michael to successfully complete his parole, which he had never achieved before. Michael was also supported to improve his relationship with his father whom he now resides with. On TRACC facilitated a cognitive assessment and gathered evidence for his NDIS application for support for his disability. Upon his completion of On TRACC Michael is enjoying tailored support through his NDIS package and a positive home environment.

CLINICAL SERVICES (NATIONAL)

Clinical Services was established to provide behavioural intervention to ACSO's high risk clients who have complex needs, and expert consultation and support to internal and external stakeholders. Since being developed, Clinical Services has expanded to include six Behaviour Support Practitioners in addition to the Problematic Sexualised Behaviour Service staffed by two Psychologists.

The Problematic Sexualised Behaviour Service (PSBS) works primarily with juveniles and adults who have an intellectual impairment and are at risk of committing or have committed sexual offences, to reduce their risk of engaging in problematic sexualised behaviour, in addition to other special category offenders. PSBS also provides expert clinical consultation to internal and external stakeholders about risk assessment and risk management in the community. PSBS had an intake of 19 new clients in the last

financial year.

The Behaviour Support Practitioners work primarily in ACSO's forensic residential services overseeing and monitoring the use of restrictive interventions and providing positive behaviour support to clients subject to criminal and civil orders. In 2016-17, ACSO's BSP's had oversight over 25 clients subject to compulsory treatment orders and assisted in the transition of 19 new high-risk clients with complex needs. Three of the clients overseen were able to transition to less restrictive interventions throughout the year.

Clinical Services also provide consultation, supervision and training across ACSO's wider range of services with regard to assessing and managing risk to ACSO client's and the broader community. Clinical services was proudly awarded the 2016 Cappello Award, which recognises passion and commitment in the workplace.

FORENSIC CASE WORK (VIC)

In Victoria, Forensic Case Work is a collection of assertive support coordination and assertive outreach based services, which work with individuals living in the community who have complex needs and who find themselves in contact with the criminal justice system. This program works collaboratively with adult participants and their support networks to develop tailored support plans, which address individual needs and goals, whilst aiming to prevent the person's ongoing cycle in and out of the justice system.

The supports provided are individually funded (i.e. via Individual Support Packages, National Disability Insurance Scheme or Multiple and Complex Needs Initiative) and aim to assist each participant to achieve specific outcomes or to maximise their capability, specifically with regards to independent living skills, social and community connectedness, employment or education, engagement with specialist supports and services in the community. The case work model aims to increase the participant's independence, quality of life and well-being, whilst also aiming to reduce their risk of further contact with the justice system.

RECONNECT (VIC)

The ReConnect program is funded by Corrections Victoria and specifically works with participants on parole and straight release to transition into the community in a manner that decreases their risk of offending whilst increasing their ability to successfully engage and participate in their local community. The program is provided to participants on a voluntary basis, with the aim of addressing broad risk factors that contribute to successful engagement including identified Critical Intervention Domains. ACSO delivers ReConnect in Hume, Loddon Mallee, South East Melbourne and Gippsland regions.

Corrections Victoria have set out three clear objectives with respect to the ReConnect program;

- Improved community safety
- Reduction in reoffending, in turn reducing demand for correctional services
- Delivering value for money through a focus on positive outcomes.

ACSO works in partnership with Corrections Victoria and community based services and supports to assist participants in safely transitioning and reintegrating in the community. In 2016/17, we have observed an increased number of participants referred to ReConnect, resulting in over 600 participants being accepted by the service. During this time, we have achieved over 70% of clients having a planned exit from the program.

CREST (QLD)

In August 2016, ACSO commenced delivery of our first program for Queensland, having successfully tendered for the CREST program for Queensland Corrective Services. The Community Re-Entry Service Team (CREST) program is delivered by ACSO across South East Queensland, supporting six prisons and four regions of Probation and Parole. In this time, ACSO have already made some great strides in key areas for service delivery in the first 12 months.

Within the prisons system, all prisoners can seek support from CREST staff located within the prison to obtain information and / or referrals. In the first 12 months, CREST assisted prisoners with 2312 referrals to external support agencies including accommodation providers, drug and alcohol support services, and mental health support services to help them prepare for their release.

In the community, the Post Release Managed Services provides post release support for an intensive three month period. Staff meet with clients prior to their release and work together with the client to develop their re-entry plan and work with them upon exit to implement their plans; assisting with practical support such as ensuring attendance at parole appointments, treatment providers and helping the client to establish connection to their local community for support beyond the length of the program.

RECONNECT CASE STUDY

Joe was referred to the ReConnect program in January 2017, after spending several years in custody for aggravated assault and driving whilst unlicensed. Joe had a complex history prior to his incarceration, including substance use, family violence and contact with the juvenile justice system.

At the point of referral, Joe identified a high level of interest and motivation in getting his life on track. He was keen to secure stable housing upon his release, find secure part-time employment and connect with family and support networks. He was supported to secure a private rental head-lease property and was connected into drug and alcohol treatment within a fortnight of his release from custody. He was subsequently assisted to complete a hospitality course and was referred for a placement at ACSO's training café (ACspresSO), where he was able

to further develop and refine his hospitality and barista skills.

Upon completing his placement at ACspresSO, Joe was able to secure a part-time role as a kitchen-hand in a restaurant in the city. He has continued to remain employed and has received positive commendations from his employer.

During his early transition in the community, Joe made concerted efforts to remain connected with supports and services and this in turn provided him the confidence to re-engage successfully with family members. Today, Joe enjoys a healthy relationship with family and with people whom he has met via his employment and he has demonstrated a strong desire to remain offence-free in the community.

CREST CASE STUDY

Mr Smith is a 24 year old male with a high level Risk of Reoffending score, has a 19 page criminal history and self-identified having never spent a full 12 months out of custody since the age of 11.

Mr Smith often stated he feels more comfortable in prison than in the community. Since 2010, Mr Smith has spent the majority of time in custody with minimal stints in the community usually lasting less than one week. Mr Smith was seen by CREST Services the day before release in November 2016 at Wolston CC and CREST called his mother to ensure she would be picking him up upon his release.

Mr Smith identified substance misuse as a contributing factor to his offending behaviour, advising of a polysubstance history of methamphetamine, amphetamine and cannabis. CREST referred Mr Smith to Community Care in December, and obtained an appointment for him to attend drug and alcohol counselling within a week.

Mr Smith attended both the individual counselling and the Smart recovery group regularly throughout his post-release support period. Mr Smith's Probation and Parole Officer and CREST worked closely together to ensure Mr Smith's success on parole and Mr Smith identified this co-case management style beneficial in rebuilding trust in the Queensland Corrective Services. Another need identified was mental health support, and CREST Services referred Mr Smith to a Medical Centre where he was booked for an appointment to receive a Mental Health Care Plan, and has begun seeing a psychologist.

Mr Smith engaged with CREST on at least a weekly basis and successfully completed his three months of post-release support.

FORENSIC RESIDENTIAL SERVICES

ACSO's Forensic Residential Services (FRS) are designed to provide high quality and specialist support to people with a disability who are at risk of, or have had, contact with the criminal justice system, and who may be subject to Community Corrections Orders, Supervision Orders, Parole Orders or Supervised Treatment Orders. The services operate on a 24/7 staffing model, seven days per week ensuring a continuity of care to participants and a high level of vigilance with respect to community safety. The FRS are committed to helping residents move toward a more independent, pro-social life through increased autonomy and community inclusion. To achieve this, the services first aim to increase residents' quality of life, and second to reduce behaviours of concern and the use of restrictive interventions, through the development of skills, and increased opportunities and motivation to live a pro-social lifestyle.

ACSO has developed a unique residential service delivery model that through a staged progression sees participants undertake a range of "step downs" as they "step out" successfully back into the community. ACSO's model is underpinned by a behaviour change model where expertise informs a range of therapeutic and recovery oriented interventions, which encourages participants to actively build the human and social capital they need to fully participate in the community.

YRR (VIC)

The Youth Residential Rehabilitation Service (YRR) Service is a service operating out of the Loddon Mallee region, in Bendigo and is funded by the Victorian Department of Health and Human Services (DHHS) to support ten young people with a mental health diagnosis for placements of up to 12 months.

The house is physically separated into four units with staff and young people able to freely interact. The service operates on a 24/7 staffing model, seven days per week ensuring a continuity of care to the young residents.

Using a wraparound services model coordinated by ACSO, the YRR Service incorporates residential, skills development and clinical programs for a holistic and individualised model of support. Individual outcomes that improve daily living, self-care and social and relationship skills, as well as addressing quality of life needs regarding physical and mental health, social connectedness, housing, education and employment are the focus of resident care plans. These One Plans are formulated to support recovery and introduce a supported decision-making model that gives the young person a voice in their assessment, treatment, support needs and recovery.

ALCOHOL AND OTHER DRUG INTAKE & ASSESSMENT (VIC)

Following the recommissioning of Victoria AOD services in 2014 ACSO were delighted to be contracted to provide the Intake and Assessment function for regional Victoria. Regional ACSO hubs were promptly established and we were off and running. As major change always has its challenges, the start of the new service model was tricky to say the least. Our staff were committed to providing the best possible regional Intake and Assessment service so relationships with local providers were forged and our service was widely promoted as the central Intake for Regional Victoria including a direct referral line for Regional GP's. Unfortunately, due to some initial teething problems state-wide, DHHS swiftly reviewed the new model which resulted in what is now known as the ASPEX Review. Sadly, for all the intake and assessment providers one of the recommendations from the review was that assessments go back to the treatment providers.

During this time, ACSO staff are proud of their achievements, having conducted almost 10,000 assessments in the less than three years until June 2017.

From July 2017, ACSO is now the regional AOD Intake provider rather than the regional Intake and Assessment provider and our central regional intake is still the entry point for regional Victorians seeking AOD treatment and support.

34
CLIENTS ARE
SUPPORTED
IN FORENSIC
RESIDENTIAL
SERVICES

21
CLIENTS ARE
SUPPORTED
IN YRR



NICHOLSON HOUSE PROGRAM (VIC)

Nicholson Program opened on the 20th June 2016, as a purpose built forensic residential facility which has a program ethos focusing on a strengths-based good lives model. The residential facility is divided into two sections, one side of the house offers residents intensive staff support in assisting them to develop skills to live a pro social life. The other side of the house is semi-independent with less staff support offered and there is a stronger focus on preparing our residents for independent living.

Nicholson Program offers a fully equipped commercial kitchen which we utilized in running cooking sessions with residents from Cappello and Francis Houses and the Nicholson Program. The cooking sessions were facilitated by hospitality expert Salvatore from ACSpressO and Catriona, also a former chef who now works as a residential support worker at Nicholson Program. Prior to entering the kitchen there was an educational focus on food safety, cleaning and nutritional value.

In the sessions, participants learnt to make simple healthy meals such as pasta, soup, salad and burgers; meals they would be



able to replicate in their own residential settings. At the end of each session participants shared the meal they cooked together developing skills in table manners and pro social conversation.

In June, funds were provided to the Nicholson Program for purchasing items to make the environment warm and homely. Residents and staff went shopping together and purchased items to improve their living environment. Items such as lamps, rugs, plants and picture frames were purchased. The residents of the Nicholson Program were very proud of their efforts and were keen to offer a tour to visiting staff, proudly showing their new homely environment.



Here are photos showcasing the magic of the cooking sessions.



PEOPLE & CULTURE

2016-2017 has been a bumper year for our People and Culture team. The team has restructured, focusing on a business partner model that ensures internal service delivery in an efficient and effective manner across our programs in each state. The focus is on customer service and enabling the business to best support our clients.

The establishment of programs in NSW and QLD saw significant bulk recruitment drives in each state. This was assisted by the implementation and rollout of ACSO's eRecruitment software to streamline recruitment processes.

Technology has been a primary focus of the team, as we work to implement contemporary human resources tools and processes. This year has seen the introduction of robust reference checking technology, a review of our human resources information system needs, professionalised job advertisements, the embedding of our eRecruitment tool, and the development of an organisational development strategy and training plan for the 2017-2018 year. A further significant piece of work was working with the operational teams to design a new operational structure for rollout in 2017-2018 that will enhance and consolidate skill in

our unique areas of programmatic expertise. The renewed focus on training has seen the number of training programs we offer increase over the course of the year; this focus will continue into the new year to ensure we maintain a highly skilled workforce.

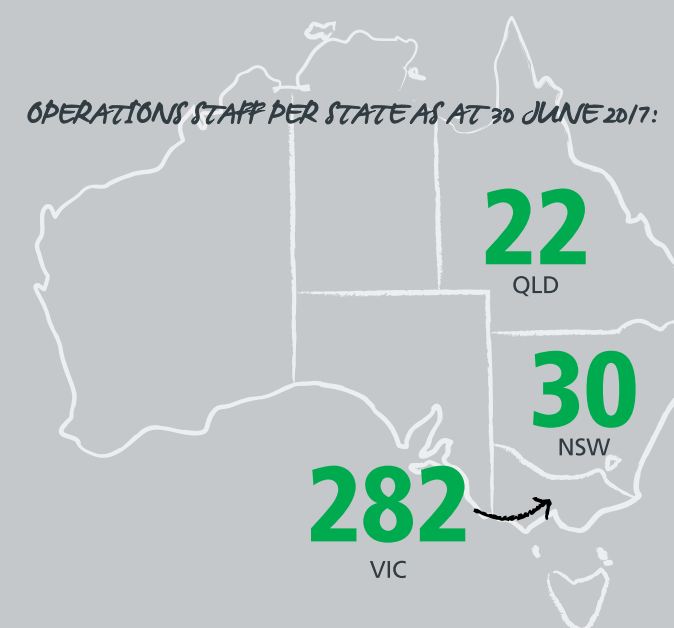
Health and safety continues to be a focus, with the appointment of a dedicated Workplace Health and Safety business partner who has extensive experience in the sector. A renewed Health and Safety committee has been active in the promotion of health and safety in our work locations, and has been proactive in raising and resolving issues as they arise. A number of wellbeing programs were run and broadcast to staff across the organisation, as a chance to utilise technology to collaborate. In partnership with the Quality, Risk and Excellence team and the operational teams, we have a renewed focus on ensuring our levels of safety risk are sustainable whilst continuing to offer services to a complex client group.

The next 12 months promise to be an exciting time as we roll out the new structure, further enhance our technological supports with a new learning management system and staff engagement measurement tools, the implementation of a performance development framework and the commitment to building on our organisational development and staff engagement programs.

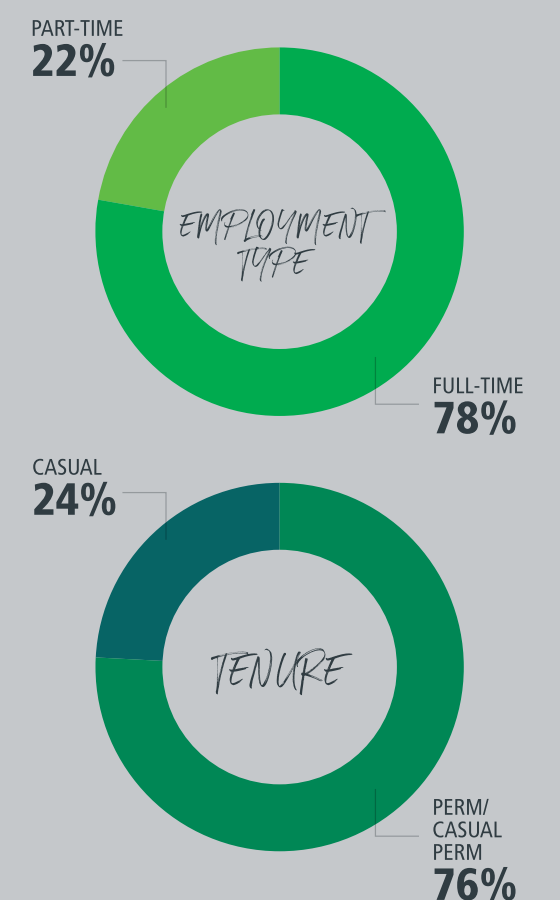
We are dedicated to developing our staff and ensuring they reach their full potential. To support our staff, we have increased training opportunities across the organisation:



OPERATIONS STAFF PER STATE AS AT 30 JUNE 2017:



WORKFORCE BREAKDOWN:



QUALITY

RISK

ACSO & QUALITY

This year, ACSO's Internal Improvement Committee has had oversight of our organisational Quality Work Plan (QWP) keeping progress on track and ensuring a focus on continuous quality improvement through internal audit planning and scheduling. The QWP has guided ACSO's work over the past three years and addresses some gaps identified during the last quality accreditation cycle including: review of Governance policies; implementation of facilities management systems; improvement in reporting of quality and safety at a Board level; more stringent employment screening; and improvement in client outcome reporting. All actions are on track and due for completion prior to the next accreditation audit in January 2018.

A re-focus on internal audits has seen ACSO increase from 3 auditors to 14 in the 2016/17 year. These voluntary positions undertake auditor roles in addition to usual duties. Whilst all auditors have participated in basic training, three staff have taken on the role of Lead Auditor participating in specific training with Gray Management Systems. Lead Auditors are responsible for agreeing the scope of audits with internal stakeholders, making recommendations for corrective actions or improvements and ensuring all reports are completed in line with policy and procedure. This year, internal auditors have completed audits in the following areas:

- After hours on-call
- Staff supervision records
- Client files
- Personnel files
- Residential client medication
- Hazard inspections
- Annual budget planning processes

March 2016 saw the implementation of ACSO's inaugural Privacy Week. Established to increase awareness of and compliance with privacy legislation and principles, activities over the five work days consisted of: daily computer 'pop-ups' of tips and information; competition for the most innovative privacy solution; an 'escape room'; privacy crossword; and implementation of location based privacy representatives. This event is planned to occur annually.

ACSO & RISK

ACSO must recognise, prepare and respond to risk in order to achieve our strategic objectives. We are committed to imbedding a risk culture throughout the organisation from Board and Executive to staff and service delivery. ACSO's Risk Management Framework, reviewed and endorsed by the Board, outlines our: risk appetite and associated management approach; risk management process; Governance structure; key responsibilities, and; reporting structure. The Framework also sets the tone for building the capacity of the organisation to focus on risk in all aspects of our work.

With the engagement of a Senior Manager with responsibility for overseeing risk, considerable time and effort has been placed on identifying and mitigating organisational risk in the 2016/17 year. A significant review of our Organisation Risk Register has been undertaken with consolidation resulting in a reduction in the overall number of risks and more focussed effort in developing controls and actions that reduce the impact or likelihood of risks occurring. Executive members (risk owners) review risks, controls and actions regularly with reports to Board sub-committees on a quarterly basis. ACSO Board reviews the entire risk register on an annual basis.

The implementation of the Risk Management Framework across the organisation is supported by robust policies and procedures that are regularly reviewed against: legislative compliance; best-practice benchmarking; current practice, and; quality improvement standards. This year the ACSO policy and procedure framework has been reviewed strengthening governance, and ensure that policies and procedures are up to date, sound, useful and easy for staff to understand and use in their work.

A MESSAGE FROM THE CHAIR

STEWART
LESLIE



This is my fourth report as Chair of ACSO's Board of Directors. In my previous reports I have discussed my transition from Board member to Chair of the Board, spoken about the reaction when I tell people of our vision and explained why I love ACSO. The one constant in each report has been a discussion about the people it is my honour to call colleagues and the people ACSO helps to take a second chance.

I am a regular at ACspresSO and enjoy seeing the growth and development of people who work behind the counter. A chance meeting with one of the ACspresSO team out the front of the Melbourne Magistrates Court gave me a first hand understanding of how a cup of coffee can help change lives.

On 17 January this year I spent a day in the field with ACSO staff Emma, Bronwyn, Orla, Jess, Jay and Davey. I got a first hand experience of the difficulties our clients face on release from prison and how we support them – organising housing, making sure the things we take for granted like a mobile phone and a Myki card are provided, buying clothing and ensuring medication and Centrelink registration is organised. I visited two of our houses and was made aware of the challenges our team face when working with our clients. Later in the year I gained a deeper understanding of the impact working with our clients can and does have on team members. When visiting New South Wales and Queensland, I have admired the way our new teams have established our operations in those States and successfully delivered our services to new cohorts of clients.

Another constant in my four years as Chair and for six of my eight years with ACSO is no longer part of ACSO. Karenza Louis-Smith, our Chief Executive Officer of six years left us in August. Karenza's contribution to ACSO was immense. She challenged ACSO to use its capabilities in new areas, expanded our activities within Victoria, New South Wales and Queensland, created excitement around the organisation and built a team of committed, caring people. Karenza has set the foundation for ACSO's new era under the leadership of her successor, Vaughan Winther. On behalf of ACSO's Board I thank Karenza for her contribution to ACSO.

The appointment of Vaughan Winther as our new CEO is testament to the team Karenza built. She and Vaughan were colleagues for her six years as CEO and Vaughan has acknowledged Karenza's contribution to his development in his own report. Vaughan was appointed after extensive due diligence by the Board.

For an extended period in the year and while the Board carried out that due diligence Vaughan acted as CEO. The Board appreciated his leadership during that period, and all Directors look forward to working with him.

In his first CEO's report, Vaughan has canvassed our achievements in 2017, the challenges we face and the strategies we have adopted to meet those challenges. ACSO operates in a complex sector. The complexity of the sector is compounded by uncertainty due to a policy environment that changes in response to community expectations. I am fortunate to be supported by a Board who make a strong contribution to ACSO's success by dealing with that complexity. Their skills and knowledge have been an invaluable resource during a challenging 2017 and I thank them for their support and guidance.

At our 2016 Annual General Meeting we said farewell to Ersilia Barbone, an ACSO Councillor and Director for 20 years. At that AGM I thanked Ersilia for her modest, self-effacing, supportive and caring approach to being an ACSO Director. Ersilia's contribution to ACSO cannot be underestimated and I appreciated the support she gave me while Deputy Chair. During the year we welcomed new Directors Judy Finn, Susan Hayes and Janine Holloway. All bring a depth of experience and skills to ACSO.

The Board thanks all of the ACSO team for their efforts in 2017 and looks forward to working with them in the forthcoming year and beyond.

Stewart Leslie
ACSO COUNCIL CHAIR

GOVERNANCE ACSO'S BOARD



THE HON. SALLY BROWN
AM ACSO'S PATRON

Appointed to Board in 2004, Ms Brown was elected Patron in 2011. After working as a solicitor, tertiary lecturer and barrister, Ms Brown was appointed a magistrate in Victoria in 1985; one of the first two women appointed to the Court. In 1990, she was appointed Chief Magistrate. Between November 1993 and June 2010 she was a judge of the Family Court of Australia. As a decade-long board member of the Australian Institute of Judicial Administration and a member of the inaugural board of the National Judicial College, Ms Brown was instrumental in the development and delivery of judicial education in Australia, particularly education relating to gender and culture, and the incidence and impact of family violence and sexual assault. She has maintained a long-standing interest in juvenile justice, sentencing, child protection and human rights; she chaired the Board of the Australian Institute of Criminology for seven years, has been a member of the Alfred Hospital Board and the Board of the Australian Drug Foundation, and is a member (and former Victorian president) of the International Commission of Jurists. Her name was entered on the Victorian Honour Roll of Women in 2003 and she was appointed a member of the Order of Australia in 2006.



MR STEWART LESLIE

ACSO BOARD CHAIR
AUDIT, RISK & FINANCE COMMITTEE EX-OFFICIO MEMBER / INFORMATION, COMMUNICATION & TECHNOLOGY COMMITTEE EX-OFFICIO MEMBER / QUALITY, SAFETY & SERVICE DELIVERY COMMITTEE EX-OFFICIO MEMBER

Appointed to Board in 2009, Mr Leslie is a Fellow of Chartered Accountants Australia and New Zealand and holds the Graduate designation from the Australian Institute of Company Directors. For 15 years he was a partner with accounting firm KPMG, where he specialised in assurance and advisory services. Since retiring from that partnership in 2001 he has been appointed to a number of governance roles in the public sector. He is a Board member of 100 Story Building, which provides opportunities for marginalised children and young people to build literacy skills, confidence and a sense of belonging. He also holds a senior management role at a significant philanthropic foundation. Mr Leslie is a past member of the Board of the Royal Women's Hospital and the Board of the Emergency Services Telecommunications Authority.



MS ERSILIA BARBONE

ACSO BOARD DEPUTY CHAIR
JUSTICE INNOVATION SUB-COMMITTEE MEMBER.
RESIGNED.

Appointed to Board in 1996. Ms Barbone is a Registered Legal Practitioner and a partner with White Cleland Pty Ltd. She has been practising law for over 20 years, having practised as a solicitor almost exclusively in the area of commercial litigation, enforcement and insolvency work. She is a member of the Law Institute of Victoria and Australian Institute of Credit Management. Over her career, Ms Barbone has held a number of appointments in various organisations including school advisory boards and philanthropic organisations and has chaired and been a member of various committees involving governance and strategic positioning. She continues to provide pro bono advice to various non-profit organisations.

Ms Barbone has witnessed ACSO's growth and change from the early days of the Epistle Society to its expansion as VOSA and subsequently its current form as ACSO.



MR ANDREW CHADWICK

ACSO BOARD MEMBER
AUDIT, RISK & FINANCE COMMITTEE CHAIR

Appointed to Board in 2014, Mr Chadwick is an Associate of Chartered Accountants Australia and New Zealand. He has been a member of the Audit, Risk and Compliance Committee since 2009 and was appointed Chair of the Committee in March 2014. He is a financial consultant, following 12 years with BHP Billiton as a Senior Manager in Group Reporting, which included six years with responsibility for external financial reporting. Previously he was with accounting firm KPMG, as a Partner for 12 years in the assurance and advisory services division. Mr Chadwick first became involved with ACSO in 2001 when he was engaged to provide financial consulting advice.



MS KATHLEEN BARKER

ACSO BOARD MEMBER
QUALITY, SAFETY AND SERVICE DELIVERY COMMITTEE CHAIR

Appointed to the Board in 2009, Ms Barker draws on over 20 years leadership and operations experience across the health, insurance and human resource sector. Formally a senior executive with the Transport Accident Commission, she successfully led that organisation's workforce transition from Melbourne to Geelong.

She is the founder and principal consultant of Andeol Consulting established in 2009, where she specialises in organisational coaching, leadership and business transformation. She is an alumni of Leadership Victoria, is actively involved in and is passionate about community leadership



MS KAREN CORRY

ACSO BOARD MEMBER
INFORMATION, COMMUNICATION & TECHNOLOGY COMMITTEE CHAIR / AUDIT, RISK & FINANCE COMMITTEE MEMBER

Appointed to Board in 2014, Ms Corry is a qualified Chartered Accountant and built her career at KPMG, where she was a partner at KPMG, Consulting until 2002. She is a Director of her own consulting business, where she focuses on strategy, governance and risk services, particularly focusing on the interaction between business and information technology. She is a Board member at Holmesglen Institute of TAFE, ACMI (Australian Centre for the Moving Image), Eva Tilley Memorial Home and is the independent chair on the Department of Premier and Cabinet's Audit and Risk Management Committee, Service Victoria sub-committee.



JUSTICE PAUL COGHLAN

ACSO BOARD MEMBER
QUALITY, SAFETY & SERVICE DELIVERY COMMITTEE MEMBER

Paul Coghlan was admitted to practice in 1969. After nine years as a solicitor, he joined the Victorian Bar in 1978, where he specialised in criminal law. He was a judge of the Supreme Court from 1995 until 2009 and was the principal judge of the Criminal Division of the Court between 2010 and 2012. In 2001, following highly-regarded service as a Senior Crown Prosecutor and Chief Crown Prosecutor, he was appointed Victoria's fifth Director of Public Prosecutions. He was appointed as a judge of the Court of Appeal of the Supreme Court in 2013 and retired in early 2014 after over 40 years in practice.



JUDY FINN

ACSO BOARD MEMBER

Judy Finn was appointed to the Board in February 2017. Judy comes to ACSO having both consulted to and performed senior roles in some of Australia's leading not-for-profit health organizations. Currently overseeing the implementation of a multi-year program of work in the area of Bullying, Discrimination and Sexual Harassment (Royal Australasian College of Surgeons), these organisations include Beyondblue (Strategic Projects Lead, Program Director Public Health), National Heart Foundation of Australia – Victorian Division (Director Cardiovascular Health Programs, Government and Stakeholder Relations) and Cancer Council Victoria (Quit Campaign - various roles over a number of years). Participation in the Williamson Community Leadership Program (Leadership Victoria) fuelled Judy's interest in corporate governance. As a Graduate of the Australian Institute of Company Directors, Judy is energised to apply her strategic planning, advocacy and stakeholder relationship skills on behalf of ACSO.



PROF LEIGH GASSNER

ACSO BOARD MEMBER
QUALITY, SAFETY & SERVICE DELIVERY COMMITTEE MEMBER

Appointment to the Board in 2007. Prof. Gassner has extensive experience in social policy development and working through the complexity of government and non-government sectors to achieve sustainable social outcomes. This has been nationally and internationally in the fields of family violence, Aboriginal health, perpetrator intervention in violence against women and also gender equity in medical research. He works with the Australian Human Rights and Equal Opportunity Commission in China working on system and legislative reform in responding to violence against women. He is a partner in Reos Partner, former Assistant Commissioner, Victoria Police, fellow of the Institute of Public Administration Australia (Victoria), member of Victorian Systemic Review of Family Violence Deaths Reference Group (Coroners Court) and former member of the Commonwealth Government Violence against Women Advisory Group, Victorian Government Mental Health Reform Council and White Ribbon Day Council.



DR DANNY SULLIVAN

ACSO BOARD MEMBER
QUALITY, SAFETY & SERVICE DELIVERY COMMITTEE MEMBER

Appointed to Board in 2014, Dr Sullivan is a consultant forensic psychiatrist. Dr Sullivan is the Executive Director of Clinical Services at the Victorian Institute of Forensic Mental Health (Forensicare); he has extensive experience working in prisons and assessing and consulting on offenders with complex needs. He holds a medical degree from the University of Melbourne, and Masters degrees in Health & Medical Law (Melbourne) and Bioethics (Monash). He is currently completing the International Masters for Health Leadership at McGill University in Canada. He is a Fellow of the Royal Australian and New Zealand College of Psychiatrists, a Fellow of the Royal College of Psychiatrists (UK) and an Associate Fellow in the Royal Australasian College of Medical Administrators. He holds honorary academic positions at the University of Melbourne and Swinburne University, and is active in research, teaching, and providing expert evidence in most Australian jurisdictions.

HOUSING WITH CONVICTION

Housing with Conviction provides safe, affordable, well-maintained supported housing options to those being released from (and those at risk of entering) the criminal justice system. By providing our tenants with sustainable, supportive housing, through partnerships, we will assist in the delivery of 'wrap-around' services.

We provide innovative housing solutions for individuals who are at a high risk of homelessness and recidivism, by utilising the expertise of our people, partnerships, program development and delivery, and innovative funding models.

Innovation, quality and best practice will be at the heart of everything we do. We work closely with the Housing Registrar to ensure that we meet standards across all housing services and programs. We achieve this through strong governance, leadership, community engagement and financial expertise.



MR JAMES MCGINNES

HWC BOARD MEMBER
AUDIT, RISK & FINANCE COMMITTEE INDEPENDENT MEMBER

Mr McGinnes was appointed as an inaugural board member of HWC in 2015. He has also been a member of the ACSO Audit, Risk and Finance Committee since 2014. Mr McGinnes is a Member of Chartered Accountants Australia and New Zealand. He is a partner with accounting firm Romanis Cant, where he has been since 2002, he specialises in business services, taxation and forensic accounting. Mr McGinnes is also the President of not-for-profit organisation Playstation Inc. which provides occasional care services for children in the Boroondara area.



MS JACQUI WATT

HWC BOARD CHAIR

Appointed to the HWC Board in 2015, Ms Watt is a member of the Australian Institute of Company Directors. With a Social Policy degree from Edinburgh and a Masters in Management, her previous board roles include the Community Housing Federation of Australia and the Social Enterprise Coalition in Scotland. Previous roles include being CEO of two peak bodies advocating for Community Housing and a year as Director of Client Services at Anglicare Victoria. Ms Watt has had direct service delivery responsibility in the fields of alcohol and drugs, mental health, disability and social housing over the past 30 years. In February 2015 Ms Watt took up the CEO role at No To Violence and Men's Referral Service. As Chair of Housing With Conviction she is supporting ACSO's social housing work and developing our capacity in this important area.



MR STEWART LESLIE

HWC BOARD MEMBER

Appointed to the HWC Board in 2015, Mr Leslie is a Fellow of Chartered Accountants Australia and New Zealand and holds the Graduate designation from the Australian Institute of Company Directors. For 15 years he was a partner with accounting firm KPMG, where he specialised in assurance and advisory services. Since retiring from that partnership in 2001 he has been appointed to a number of governance roles in the public sector. He is a Board member of 100 Story Building, which provides opportunities for marginalised children and young people to build literacy skills, confidence and a sense of belonging. He also holds a senior management role at a significant philanthropic foundation. Mr Leslie is a past member of the Board of the Royal Women's Hospital and the Board of the Emergency Services Telecommunications Authority.

FINANCIAL PERFORMANCE

The consolidated net loss before interest for the 2016/2017 financial year was \$589,000, compared to a \$487,000 loss for 2015/2016. Once interest earned of \$241,000 was included, ACSO was able to post a consolidated net loss of \$348,000 (2015/2016 loss of \$142,000).

The consolidated performance recognises the activities of ACSO and its subsidiaries during the period.

Government funding and related fees increased by 27% (\$7.9 million) from \$28.8 million in 2015/2016 to \$36.7 million due to increased program activities in New South Wales and Queensland.

Community Correctional Services and Drug Treatment Services Protocol (COATS) brokerage activity decreased during the year by \$0.2 million to \$7.4 million for the financial year.

Interest earnings decreased by \$104,000 to \$241,000 for the year as a result of a decreased cash base (caused by reduced COATS brokerage cash holdings and investments) and decreases in interest rates. The amount of interest earned during a period is subject to the volatility of interest rates.

Employee benefits related expenditure increased by \$5.1 million (a 23% increase) during the financial year due to the impact of additional staff numbers to meet increased program activities, plus the continued increase in the salary base as per the Fair Work Australia ruling and National Wage Case. The Fair Work Australia ruling and National Wage Case, which are Industry wide, will see staff under the SCHCADS award continue to receive above CPI increases for the next four years.

FINANCIAL POSITION

ACSO's consolidated cash position remains strong, despite cash and cash equivalents decreasing by 7% (\$0.9 million) over the year to \$11.7 million as at 30 June 2017. This result was due to continued decreases in COATS brokerage liabilities and long term investments during the period.

Non-current assets increased by \$2 million due to the investment in new systems and the On TRACC Finance Co Pty Ltd.

Liabilities for Trade and other payables increased by \$2.6 million due to the recognition of long term liabilities associated with On TRACC Finance Co Pty Ltd and the accrual for COATS treatment services payable in the future to agencies.

Comparing current assets (excluding non-current assets) to current liabilities, ACSO has net working capital at \$5.2 million (\$6.8 million as at 30 June 2016).

ACSO's net assets, or equity, as at 30 June 2017 now stands at \$8.46 million. This value includes net assets of \$132,000 recognised from the merger with Access Community Group on 01 January 2016.

FINANCING & INVESTING ACTIVITIES

ACSO's investment policy during the 2016/17 financial year was updated to include the long term investment in the On TRACC Finance Co Pty Ltd. This is in addition to pre existing investment in Commonwealth Bank term deposits, investment and standard business accounts.

INCOME AND EXPENDITURE

\$'000	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
REVENUE						
Government funding & fees	12,792	13,828	17,542	24,504	28,818	36,716
COATS brokerage	4,726	6,022	6,433	8,530	7,590	7,394
Other income	235	435	757	789	1,010	787
	17,753	20,285	24,732	33,823	37,418	44,897
EXPENDITURE						
Employee benefits	9,667	11,021	12,796	19,141	22,644	27,788
COATS brokerage	4,726	6,022	6,433	8,530	7,590	7,394
Depreciation & amortisation	709	715	776	974	1,192	1,341
Rental expenses	779	645	788	1,027	1,165	1,421
Other expenditure	1,876	2,084	3,694	4,396	5,314	7,542
	17,757	20,487	24,487	34,068	37,905	45,486
NET SURPLUS / (LOSS) BEFORE INTEREST	(4)	(202)	245	(245)	(487)	(589)
Interest Received	753	642	571	501	345	241
NET SURPLUS / (LOSS) AFTER INTEREST	749	440	816	256	(142)	(348)

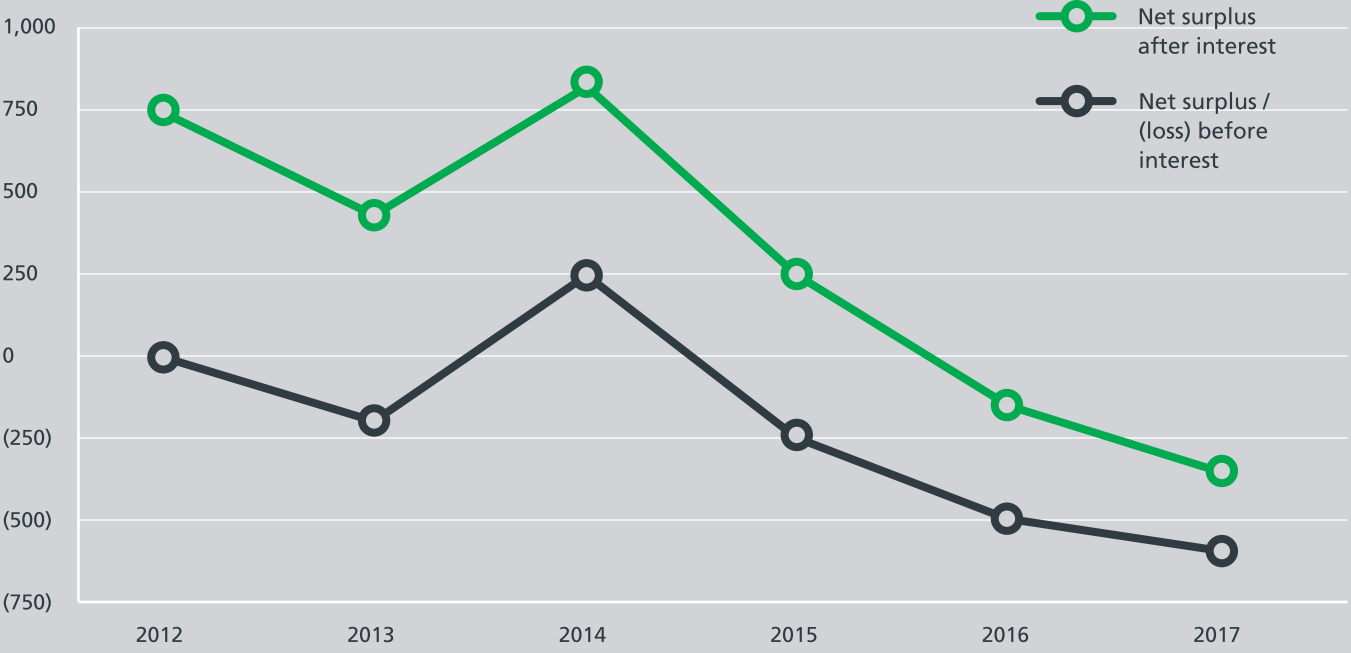
ASSETS AND LIABILITIES

\$'000	2012	2013	2014	2015	2016	2017
CURRENT ASSETS						
Cash & cash equivalents	20,630	19,627	17,703	14,025	12,597	11,734
Trade receivables	1,081	436	181	465	397	1,986
Other	212	237	384	964	715	1,046
	21,923	20,300	18,268	15,454	13,709	14,766
NON CURRENT ASSETS						
Intangibles	220	526	482	380	503	732
Plant & Equipment	1,700	1,784	2,049	2,714	2,194	2,175
Other	0	0	0	0	20	1,840
	1,920	2,310	2,531	3,094	2,717	4,747
	23,843	22,610	20,799	18,548	16,426	19,513
LIABILITIES						
Trade & other payables	15,445	13,582	10,858	7,736	5,270	7,911
Provisions	1,092	1,282	1,379	1,994	2,348	3,142
	16,537	14,864	12,237	9,730	7,618	11,053
NET ASSETS	7,306	7,746	8,562	8,818	8,808	8,460

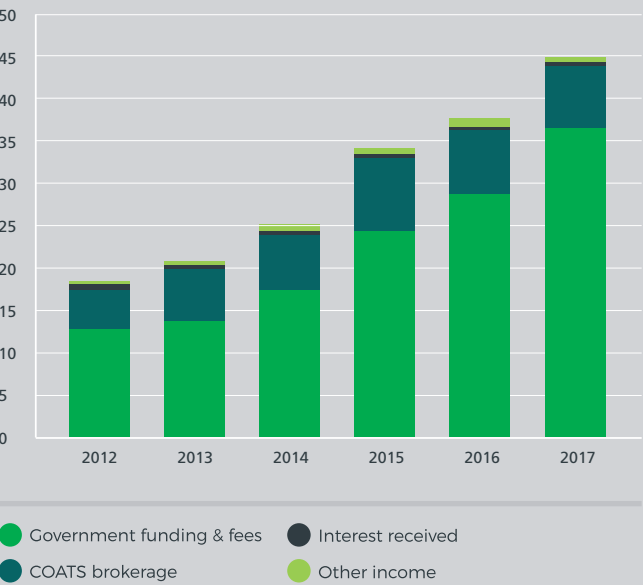
WORKING CAPITAL

\$'000	2012	2013	2014	2015	2016	2017
Cash & cash equivalents	20,630	19,627	17,703	14,025	12,597	11,734
Other current assets	1,293	673	565	1,429	1,112	3,032
TOTAL CURRENT ASSETS	21,923	20,300	18,268	15,454	13,709	14,766
Trade & other payables	15,445	13,582	10,858	7,736	5,270	7,057
Provision liabilities	578	787	873	1,219	1,639	2,469
TOTAL LIABILITIES	16,023	14,369	11,731	8,955	6,909	9,526
WORKING CAPITAL	5,901	5,931	6,537	6,499	6,800	5,240

NET SURPLUS (LOSS) \$'000



REVENUE \$'M

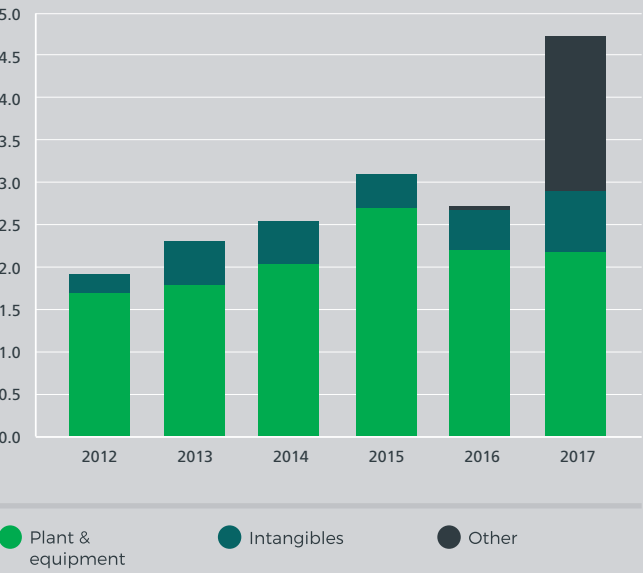


EXPENDITURE \$'M

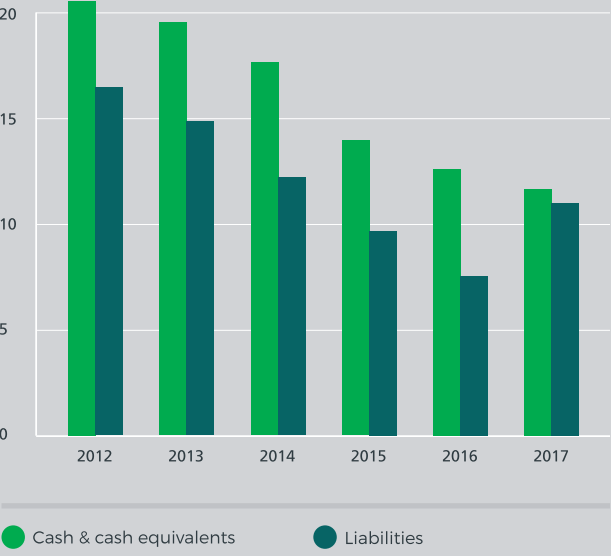


NON CURRENT ASSETS \$'M

(closing written down value)



CASH ASSETS TO LIABILITIES \$'M



ACSO LOCATIONS

ACSO CORPORATE OFFICES

ACSO National Office
Level 1, 1 Hoddle Street, Richmond VIC 3121

NSW State Office
Level 1, 22 – 25 King Street, Rockdale NSW 2216

Queensland State Office
Level 1, 35 Amelia Street, Fortitude Valley QLD 4006

OUR SERVICE DELIVERY SITES

VICTORIA

Melbourne Metro Hub
Ground Floor, 1 Hoddle Street, Richmond VIC 3121

ACspresSO Café
2 Regent Street, Richmond VIC 3121

Northern Melbourne Metro Hub
151 Wheatsheaf Road, Glenroy VIC 3046

Southern Melbourne Metro Hub
Ground Floor, 280 Thomas Street, Dandenong VIC 3175

Gippsland Hub
3 / 35 Grey Street, Traralgon VIC 3844

Satellite Sites:
306 Main Street, Bairnsdale VIC 3875

Goulburn Valley Hume Hub
95 – 97 Welsford Street, Shepparton VIC 3630

Satellite Sites:
40 – 42 Rowan Street, Wangaratta VIC 3677

Grampians / Great South Coast Hub
305A Dana Street, Ballarat VIC 3350

Satellite Sites:
172 Merri Street, Warrnambool VIC 3280
5 / 30 Little Malop Street, Geelong VIC 3220

Loddon Mallee Hub
28 Pall Mall, Bendigo VIC 3550

Satellite Sites:
137 Thirteen Street, Mildura VIC 3500
13 Pritchard Street, Swan Hill VIC 3585

Forensic Residential Services:
Cappello House
Francis House
Nicholson House
McShee House
Aspin House
Bendigo Youth Residential Rehabilitation (YRR)
Armada House
Calabro House
TK House
Gippsland House

NEW SOUTH WALES

Sydney Metro Hub
Level 1, 21 – 25 King Street, Rockdale NSW 2216

Satellite Sites:
1 / 33 Fitzmaurice Street, Wagga Wagga NSW 2650
1 / 80 Gipps Street, Dubbo NSW 2830

Illawarra Hub
87 Railway Street, Corrimal NSW 2518

Satellite Sites:
4 / 12 College Avenue, Shellharbour NSW 2529

QUEENSLAND

Brisbane Metro Hub
Level 1, 35 Amelia Street, Fortitude Valley, QLD 4006

Satellite Sites:
100 York Street, Beenleigh QLD 4207
5 – 7 Wharf Street, Ipswich QLD 4305
171 Hume Street, Toowoomba QLD 4350
Lake Centre Unit 8, 22 King Street, Caboolture QLD 4510

ACKNOWLEDGEMENTS

ACSO would like to acknowledge the Traditional Custodians of all the lands on which we operate and pay respect to their Elders past and present.

We would also like to acknowledge the vision and commitment of our esteemed Board members and the contribution of our staff membership who personify ACSO’s ethos, ‘Create Another Chance’.

ACSO acknowledges the financial and other support of the Australian Federal Government and Victorian, Queensland and New South Wales State Governments. We also acknowledge the contributions of the following key supporters who have worked with us towards achieving our vision of a safe and inclusive community, freed of crime and prison.

Allens Lawyers
arbias
Australian Research Council
Brotherhood of St Lawrence
Caraniche
CHIA (Community Housing Industry Association)
City of Yarra
Commonwealth Bank of Australia
Commonwealth Department of Employment
Commonwealth Department of Health
Commonwealth Department of Social Services
Community Housing Limited
Corrections Victoria
Corrs Chambers Westgarth
Department of Health and Human Services
Department of Housing Victoria
Global Leadership Foundation
Grant Thornton Australia
Helen Macpherson Smith Trust

headspace
Housing Registers Office Victoria
InfoXchange
KPMG
Launch Housing
Melbourne University
Mental Illness Fellowship Victoria
Microsoft
National Australia Bank
National Disability Insurance Agency
Navitas
Neami National
Neatline Homes
NEXUS
NSW Corrective Services
NSW Government
NSW Government Office of Social Impact
Investment
NSW Treasury
Office of Professional Practice (DHHS)
Odyssey House Victoria
Pega Systems
Queensland Corrective Services
Reclink
ReGen
Smart Justice Australia
Sodexo
St Kevin’s College
Swinburne University
TechnologyOne
University of NSW
VAADA
VicHealth
Victorian Department of Health and Human Services
Victorian Department of Justice
Victorian State Government
VicRoads
Victorian Transport Accident Commission
VicServ
WAYS Housing and Support Services
Winning Words
Worksafe
Workways

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