

# ANNUAL REPORT

2019/20



## OUR VISION

Engaged communities: connecting people to opportunities

## OUR MISSION

To deliver positive economic, social and environmental benefits to the community by enabling people to participate in the workforce, develop their potential and contribute to society.

## OUR VALUES

- › Respectful
- › Accountable
- › Ethical
- › Sustainable
- › Engaged

## ACKNOWLEDGEMENT OF COUNTRY

Workways Australia acknowledges the Australian Aboriginal and Torres Strait Islander people of this nation. We acknowledge the traditional custodians of the lands on which our company is located and where we conduct our business. We pay our respects to ancestors and Elders, past and present. Workways Australia is committed to honouring Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.



### **Workways Australia Limited**

Head Office: 280 Main Street,  
Bairnsdale VIC 3875

Postal Address: PO Box 331,  
Bairnsdale VIC 3875

Phone: 1800 631 196

[www.workways.com.au](http://www.workways.com.au)

[enquiry@workways.com.au](mailto:enquiry@workways.com.au)

ACN: 141 659 734



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**SUE SALTHOUSE, A RENOWNED DISABILITY AND SOCIAL JUSTICE ADVOCATE, AND DIRECTOR ON THE BOARD OF WORKWAYS AUSTRALIA, DIED IN JULY 2020, IN AN ACCIDENT IN CANBERRA.**

## **WORKWAYS MOURNS THE LOSS OF LEADING DISABILITY ADVOCATE**

Sue dedicated her life to education, social justice and human rights, developing extensive networks in political, community and business circles to help support the cause. In recognition of her work, Sue was awarded the 2020 ACT Senior Australian of the Year. In addition to that award, Sue was the Canberra Citizen of the Year in 2015 and the ACT Senior Woman of the Year in 2014.

Following a fall from her horse in 1995, Sue adapted to life as a paraplegic. While her intellectual pursuits and career in education continued, she discovered that her home and the local community around her wasn't equipped to provide independent movement for a person in a wheelchair. This circumstantial change in her physical abilities fuelled Sue's passion for social justice and she became an active and effective advocate for women with disabilities.

Sue was Chair of Women with Disabilities Australia ACT (WWDA), a role she held for over a decade. She was a director on a number of other organisations that address equity in access to education and employment. These organisations included Rights and Inclusion Australia (RI Australia) and the Independent Advisory Council of the National Disability Insurance Scheme. She was a former chair of Advance Personnel (a Disability Employment Service), and a past president of the Australian Communications Consumer Action Network (ACCAN).

"Sue joined the Workways Australia Board in 2018. As a leading advocate for the disability sector, and with her governance experience and extensive networks, she provided a perspective that added great value to Board decisions," said Thelma Hutchison, Board Chair.

"We are shocked and deeply saddened by the passing of Sue, who was an esteemed colleague, and valued friend to us all bringing wisdom, compassion and good humour to our team."

"We send our deepest condolences to Sue's family. Sue has had an impact on many people throughout her life and she leaves a lasting legacy through her tireless work. This will be a loss deeply felt across the community in Canberra and further afield" added Thelma.



*Vale Sue Salthouse  
14 July 1949 - 20 July 2020*

# CHAIRPERSON'S REPORT

## YEAR ENDED 30 JUNE 2020

On behalf of the Board of Directors I am pleased to present the 2019-2020 report. The challenges and disruption to business this year as a result of drought, floods, bushfires and the COVID-19 pandemic have been and continue to be far reaching. We have implemented a COVID-19 Business Plan to address the impacts of the pandemic, to adapt to the changed environment and look after the wellbeing of our clients and staff. At this critical time, the Board is maintaining a focus on the future, assessing our strategies, business plans, risks and budgets to ensure they remain fit for purpose in a post COVID-19 economy.

In November 2019, Kieren Kearney commenced as the CEO to lead Workways in the years ahead. Kieren joined us with sixteen years of experience in employment and community services in the for- and not-for-profit environments. The Board is very encouraged by the energy, rigour and commitment to culture and performance that Kieren has brought to the role to date. The strength of the leadership team he has built and his engagement with all staff augers well for our success into the future.

### STRATEGY AND RISK

The Board and Management held a strategy review and planning session in April 2020. In response to the challenges and economic uncertainty the Board have not renewed the 2017-2020 Strategic Plan, but instead in conjunction with Management have developed a twelve-month plan, which is focused on strategic priorities and extends the life of the existing Strategic Plan by one year.

The twelve-month strategic priorities reflect the four pillars of our Strategic Plan namely;

- › Increasing Social Value
- › Growth and Diversification
- › Sustainable Business
- › Investment in the Future

Our priorities are focused on strengthening programs that deliver value to clients and the community, leveraging existing infrastructure to seek growth opportunities and diversifying our revenue sources, maintaining and improving the financial wellbeing of Workways, developing staff skills and job satisfaction, and investing in the best digital tools that are fit for purpose and add value to client service delivery.

At the same time the Board and Management remain cognisant of government and key stakeholder responses that are evolving in the context of the pandemic, the impacts and potential risks of these on the business. Our ability to be flexible and ready to change will be important as the business environment unfolds.

### FINANCIAL SUSTAINABILITY

After several years of sequential financial losses, I am pleased to report a surplus result of \$2,923,895 at 30 June 2020. The turnaround is a reflection of a range of initiatives and difficult decisions. These included the closure of our labour hire division, divestment of several Disability Employment Service Areas, strong performance from the environmental arm of the business, a broader focus on improving program performance, streamlining operations, internal efficiencies and government support primarily through JobKeeper. The Board recognises the importance of consolidating the improved financial position amid ongoing uncertain economic challenges and will continue to maintain adequate oversight.

### BOARD MEMBERSHIP

The Board regularly assesses its own mix of skills and succession practices. Directors are appointed to the Board through a recruitment process on the basis of the skills that are required, experience and value they will contribute.

Incoming directors in November 2019 were Marlene Elliott and John Websdale. Directors retiring at that time were Michael Nelson and Margaret Taylor. We thank the retiring directors for their valued contributions to the work of the Board. Michael Nelson was a director on the Board for twelve years - six of those as Chair.

The Board were deeply saddened in July 2020 when Director Sue Salthouse died in an accident in Canberra. Sue joined the Workways Board in 2018 and was well known in Canberra and beyond for her work in education, social justice, the disability sector and human rights.

On behalf of my fellow Directors, I would like to thank our CEO, the leadership team and all of the staff for your resilience over the last few months and your commitment to the provision of quality services for our clients.



**Thelma Hutchison**  
Board Chair



## CASE STUDY

# FROM INCARCERATION TO INSPIRATION



**JEFFREY MAGNAYE HAD ALWAYS BEEN A POSITIVE INDIVIDUAL, BUT A THREE MONTH STINT IN CORRECTIONAL FACILITY RAVENHALL, TESTED HIS RESOLVE AND CHANGED HIS PERSPECTIVE ON THE JUSTICE SYSTEM.**

“You have two choices when you leave prison. You can become a better man or a bitter man. I chose the former.” said Jeffrey.

When Jeffrey first left Ravenhall, he was placed into the Bridge centre which provides services for ex-offenders to adjust back into society. It was at a Jobs Expo there that he met Kristine, a Jobs Victoria Employment Broker from Workways Australia.

“I connected with Krissy at the event and saw that she could help me. She has been an invaluable mentor throughout this process and really helped to motivate me.” added Jeffrey.

Kristine and Jeffrey worked together to develop his skills and experience to help him prepare for employment. While it was daunting at first, he said that Workways helped alleviate his feelings of stress.

“Krissy helped me prepare my resume, at a time when I didn’t have access to a computer or email. We sat side by side while she helped point me in the right direction.

I received training through Workways and Jobs Victoria, including White Card, First Aid Training and my traffic control ticket. I also participated in Work for the Dole with another Jobactive provider which I accepted as an opportunity to gain experience.”

In November 2019, Jeffrey’s hard work paid off and he was employed by Meipol, a traffic management contractor that works with Public Transport Victoria to maintain assets including bus stops. In his role as Field Maintenance Auditor, Jeffrey is responsible for auditing bus stops and undertaking basic maintenance, assisting in the management of the 26,000 bus stops across Victoria. Meipol provided on the job training and support to help transition into the role.

“It is a huge compliment from my employer that they trust me to represent the business as I visit bus stops throughout Victoria. I recently travelled to Bairnsdale, Lakes Entrance and Mallacoota to check that our assets didn’t suffer much damage during the bushfires.

I am now helping train new staff, which is a big step up.” said Jeffrey.

Inspired by his time at Ravenhall, Jeffrey has also commenced a Bachelor of Legal Services, with a goal to transfer into Bachelor of Law next year.

“I have so much gratitude for the help I have received from Wendy Saly at Jobs Victoria and Krissy at Workways and I see [my study] as a way of giving back to the community. I want to support and mentor others and contribute to the justice system.”

Jeffrey says that Ravenhall Prison has given him the gift of experience, and while he didn’t necessarily enjoy the experience, it has allowed him to better empathise with others in similar situations.

“Being incarcerated was a humbling experience. It taught me that liberty of choice is everything, and that I need to appreciate the things I have in life.”

“It also showed me that I need to accept my mistakes and consider where I went wrong. Men are often too proud to ask for help, but I’m glad for once in my life, I accepted that I needed this help.

The Bridge Centre, Jobs Victoria and Workways have helped me on my pathway and I have so much gratitude for their help.”

Jobs Victoria is an initiative of the State Government, Department of Jobs, Precincts and Regions (DJPR), designed to assist Victorians into employment.

# CEO'S REPORT

## **WORKWAYS HAS UNDERGONE A PERIOD OF PLANNED AND FORCED CHANGE OVER THE PAST 12 MONTHS, WITH EXTERNAL EVENTS SUCH AS BUSHFIRES, FLOODS AND THE GLOBAL PANDEMIC DISRUPTING 'BUSINESS AS USUAL' COUPLED WITH PLANNED CHANGES TO OUR MANAGEMENT STRUCTURE TO BETTER PLACE WORKWAYS FOR SUSTAINABLE GROWTH.**

Our staff have remained resilient, motivated and committed to our customers, and it is pleasing to note that Workways has this year returned to surplus.

Since my commencement in November 2019, we have focused our energies on realising efficiencies and maximising performance, to deliver better outcomes for our customers.

### **Internal efficiencies have included:**

- › A comprehensive review of our Information and Communications technology (continuing into 2020/21).
- › Consolidation of our Envite Environment administrative systems into the Workways TechnologyOne system. Envite Inc. ceases active trading 1st July and will trade as 'Envite Environment' under the legal entity of Workways Australia Ltd
- › Refinement of our induction processes, a core component of our forthcoming People Strategy.
- › Review of our risk management framework and processes to more effectively capture and mitigate business risks.

Management conducted an evaluation of business performance and resource efficiencies which resulted in the closure of Workways Australia Services, our labour hire division. Without significant investment, the strategic value of the labour hire business was limited and redirected resources away from core business.

In addition, Workways made the difficult decision to divest five Disability Employment Service Areas due to concerns about the long term financial viability of these sites. Staff in Kiewa (Albury / Wodonga), Ovens (Wangaratta), Goulburn Valley (Shepparton), Wollongong and Richmond, NSW (Lismore) have been offered employment with the new providers with handover to be completed early in the new year.

Workways remains ISO 9001 and Human Services Standards accredited, and through CoAct also successfully achieved NSDS accreditation for our DES program. We are currently completing QAF certification through CoAct for our jobactive program, and have commenced preparation for ISO 27001 accreditation which relates to our ICT security. These certifications, while necessary for the delivery of Federal and State employment programs, provide the business with an opportunity to continuously improve our systems and processes.

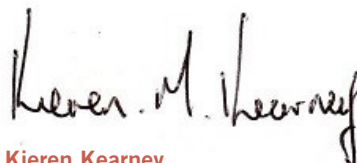
Our environmental services division, Envite Environment has further expanded its services in areas including Townsville, Gold Coast and East Gippsland. Programs such as 'Skilling Queenslanders for Work' and the Gippsland Drought Employment program have underpinned a strong year for this division, with further growth expected in bushfire regeneration works in the coming year.

The COVID-19 pandemic has understandably impacted Workways. Like most businesses, Workways adapted quickly to the changing environment in order to keep our staff and customers safe. Our WHS department developed a comprehensive management plan implemented across every site which includes office closures to visitors, stringent hygiene and cleaning requirements, and social distancing within offices. Workways facilitated staff to work from home, based on advice from the health authorities.

As a result of these measures, Workways staff have embraced the use of video conferencing tool, Microsoft Teams, resulting in better connected staff across wide geographic areas, and more regular communication throughout the business. The move to remote servicing of our customers has reduced travel and printing costs in all areas, and prompted our corporate services divisions to consider more effective electronic solutions for previously paper-based processes.

While the economic impacts of the pandemic will undoubtedly continue to affect employment prospects for our customers, we are seeing an upward trend in performance as staff embrace our new structure and deliver improved services. This coming year will see us focused on building a more agile and resilient business that values its people, delivers high quality services and remains true to its mission.

Finally, I would like to thank the Board of Management and team at Workways for their commitment, passion and determination to deliver positive economic, social and environmental benefits to the community by enabling people to participate in the workforce, develop their potential and contribute to society.



**Kieren Kearney**  
Chief Executive Officer

# FINANCIAL PERFORMANCE

During the 2020 financial year, Workways Australia continued to deliver a wide range of programs in the areas of employment and related support services, across a broad geographic footprint with sites throughout Queensland, New South Wales, the Australian Capital Territory and Victoria. Following the roll out of the new Disability Employment Services contract in July 2018, Workways strongly focused on consolidating performance and service delivery in 2020, establishing a strong market presence, and investing in capacity building through improved systems, processes and skills.

Over the year the Finance Team worked on improving systems and processes, implementing an integrated chart of accounts, a budgeting and forecasting system, improved payroll processes, and automated reporting. In addition, the finalisation of the merger with Envite occurred at year end which will further improve reporting accuracy, timeliness and processing efficiencies.

## OPERATING RESULT

This year saw consolidated revenues increase by \$6.1m (20%). While a significant proportion of this increase relates to JobKeeper (\$2.3m) there has been a very positive increase in revenue generated from contracts of \$3.5m or 12%, primarily driven by the Disability Employment Services growth of \$4m. Environmental and community services revenue increased by \$373k, jobactive revenue by \$372k, Work for the Dole revenue by \$187k, and Transition to Work revenue by \$64k, while other employment contract revenue decreased by \$603k primarily due to over-recognition in previous years. Labour hire revenue decreased by \$785k as a result of the decision to wind up labour hire activities during the year.

There was a significant increase in depreciation and amortisation expense this year as a result of adopting the new leasing standard AASB 16, which shifts leasing and rental expenditure to interest and amortisation. This resulted in an increase in depreciation and amortisation expense of \$2.2m or 139%, while other expenses reduced by \$1.5m or 15%. Employee benefit expenses increased by \$522k or 3%, while client expenses decreased by \$316k or 16%.

Total comprehensive income for the year was \$2.924m, which included a gain on revaluation of property of \$235k, along with an operating surplus of \$2.689m (FY2019 \$2.523m deficit). Several factors led to the significant turnaround from the previous financial year, including

a leadership change in November 2019 followed by a dedicated focus on growth in core services. COVID-19 presented some challenges, however Workways was able to respond to the changing environment by temporarily reducing staffing hours and rapidly implementing remote servicing and working arrangements in order to continue delivering contractual obligations and remain connected with customers and stakeholders. Additionally, Workways received federal funding via the JobKeeper program to support ongoing employment of staff from April onwards.

## CASH FLOW

Cash flows from operations provided cash of \$8m (\$1.5m used in 2019), while funds used by financing activities were \$2.8m (\$1.9m used in 2018) as a result of the change in classification of lease and rental payments under the new leasing standard. Cash flows from investing used \$422k, and change from the \$1.3m provided in 2019 due to the sale of a building in 2019. Workways ended the 2019 year with \$6.58m in cash, an increase of \$4.82m on the 2019 closing balance of \$1.76m.

## BALANCE SHEET

In line with Workways' accounting policy, a property valuation is undertaken every three years on all Workways' owned land and buildings. A formal valuation was undertaken in June 2020 which resulted in a small increment to Workways' owned land or buildings of \$235k.

Consolidated assets held by Workways as at 30 June 2020 total \$20.903m (\$10.097m in 2019), while total liabilities are \$15.536m (\$7.655m in 2019). The large movement in assets and liabilities are a result of adoption of the new leasing standard which recognises a liability for total future lease payments, along with a right of use asset for the underlying asset.

Workways' consolidated total equity increased by \$2.92m (\$2.25m decrease in 2019) due to the operating result for the year, resulting in a strong net asset position by year end and a significant improvement on the 2019 financial year. Total equity ended the year at \$5.367m (\$2.443m in 2019).



**Michelle Brett**  
Chief Financial Officer



## FINANCIAL PERFORMANCE 2019/2020

OUR REVENUE	2019/20 (\$'000S)	2018/19 (\$'000S)
Job Active	8,152	7,779
Disability Employment Services	15,467	11,425
Work for the Dole	2,140	1,952
Employment revenue	732	1,318
EnviTE - environmental revenue	2,270	2,632
Transition to work	1,709	1,644
Youth & community services	3,109	2,374
Workways Recruitment - labour hire revenue	871	1,657
NDIS	0	17
Interest and Other Revenue	2,767	251
Other Income	14	69
<b>Total Revenue</b>	<b>37,231</b>	<b>31,118</b>
<b>OUR EXPENDITURE</b>		
Employee Benefits Expense	20,372	19,849
Depreciation and Amortisation Expense	3,859	1,616
Client Expenses	1,601	1,917
Property Costs	701	2,666
Telephone	1,934	1,498
Job Futures & CoAct fees	1,990	1,489
All Other Expenses	4,085	4,606
<b>Total Expenditure</b>	<b>34,542</b>	<b>33,641</b>
<b>COMPREHENSIVE INCOME / (LOSS)</b>		
Other Comprehensive income	235	-
<b>Total Comprehensive Income / (Loss)</b>	<b>2,924</b>	<b>(2,523)</b>
<b>OUR ASSETS</b>		
Current Assets	9,878	4,521
Non-Current Assets	11,025	5,576
<b>Total Assets</b>	<b>20,903</b>	<b>10,097</b>
<b>OUR LIABILITIES</b>		
Current Liabilities	10,246	6,030
Non-Current Liabilities	5,290	1,625
<b>Total Liabilities</b>	<b>15,536</b>	<b>7,655</b>
<b>Net Assets</b>	<b>5,367</b>	<b>2,443</b>



# OUR STRATEGIC PERFORMANCE

## INCREASING SOCIAL VALUE

- › Successful achievement of ISO 9001 and HSS accreditation; as well as NSDS accreditation through CoAct.
- › Increased performance across major programs leading to better outcomes for our customers
- › Introduction of 'Lunchtime Learning' sessions to improve staff knowledge and skills in servicing our customers.

## GROWTH AND DIVERSIFICATION

- › No one program in Workways exceeded more than 42% of total revenue
- › Expansion of Envite Environmental services in Townsville and Gold Coast
- › Cessation of partnership with Berry Street with Workways to manage the TTW contract directly across Gippsland from 1 July.

## SUSTAINABLE BUSINESS

- › Workways returned to surplus in 2019/20
- › Closure of labour hire business to redirect resources to core business, and divestment of five DES employment service areas at risk of under-performance.
- › Review of our Risk Framework and processes
- › Development of People Strategy
- › Integration of Envite Environment financial systems
- › New management structure rolled out to increase performance and improve team culture across the major programs.

## INVESTMENT IN THE FUTURE

- › Appointment of State Environment Manager to expand environmental services business in Victoria
- › Comprehensive review of our ICT systems considering efficiency and suitability for future growth
- › Investment in co-operative marketing initiatives with CoAct
- › Refinement of our program induction processes to improve readiness and provide a more welcoming environment for new employees
- › Application of video conferencing tool, Microsoft Teams across all business units, improving internal communication and timely access to information.

**THE TWO LARGEST PROGRAMS DELIVERED BY WORKWAYS ARE JOBACTIVE AND DISABILITY EMPLOYMENT SERVICES (DES), WITH A RANGE OF YOUTH AND COMMUNITY PROGRAMS COMPRISING THE REMAINDER OF THE SERVICES.**

## EMPLOYMENT & COMMUNITY SERVICES

Workways' employment and community services represented 87% of revenue, and are primarily funded by Federal and State Governments.

Internal restructuring in the second half of the year delivered gradual improvements in performance across the two major contracts in most sites, not withstanding the impacts of the global pandemic and resulting economic downturn.

Customers across all programs have been receiving remote servicing since March 2020 due to the pandemic, with staff focused on supporting clients to be job ready.

### JOBACTIVE

jobactive is a Federally funded employment program delivered by Workways in Cairns, Townsville, Ayr, Charters Towers and Mt Isa. Long term jobseekers are required to participate in Work for the Dole initiatives, and Workways delivers and facilitates a range of these projects across the jobactive sites.

- › Workways trialled a new management model in the Cairns and Townsville regions to help improve performance and align the jobactive and DES programs. The success of the regional manager model was evident in a) improved customer outcomes and performance, b) improved culture and collaboration across the programs, and c) strengthened relationships with employers. A formalisation of this structure is being considered in the new financial year.
- › The COVID-19 pandemic began to impact the jobactive programs at the beginning of the last quarter, and the results have been varied across Northern Queensland. The program saw a significant increase in its caseload with 500 new customers assigned to Workways in both April and May, and 400 in June, although placements did decline during this period due to business closures and the economic downturn. Cairns has been most significantly impacted due to its economic reliance on tourism and logistics, both of which experienced major job losses.
- › Staff have been temporarily re-allocated across the business to support the growing caseloads in North QLD.
- › Managers commenced 'Lunchtime Learning' sessions using Microsoft Teams, with the aim to upskill staff to help them better respond to current challenges and improve their efficiencies.







*Caption - The Gippsland Engaged Mentoring program links volunteer adult mentors with young people in need across schools in the East Gippsland region.*



## DISABILITY EMPLOYMENT SERVICES (DES)

DES, a Federally funded program is Workways' largest contract in terms of revenue and geographic reach. DES supports people with disability, injury or illness into employment.

Performance throughout the year varied across sites, leading Workways to determine that it would no longer be viable to retain a number of sites that had consistently performed below target. This, combined with a restructure of the program management, places Workways in a strong position to realise the returns on its investment in DES in the 2020/21 financial year.

- › The DES program saw consistently strong performance results across the ACT / Queanbeyan region, and the Cairns region incorporating Innisfail and Tully.
- › Concerns regarding the performance and long term viability of a number of DES Employment Service Areas (ESAs) led Workways to formally divest five ESAs including Wollongong, Ovens-Murray, Goulburn Valley, Kiewa and Richmond (NSW). Staff across these sites have all been provided the opportunity to transition to a new provider and Workways continues to work closely with these providers to minimise disruption for customers. The divestment will be finalised in the first quarter of 2020/21.
- › The DES sites in Northern Queensland responded well to trials of a new management model, with performance improvements noted across both ESAs.
- › While DES sites have seen some impacts of the global pandemic such as a reduction in employment opportunities and growth in caseloads, the reduction in placements has been less pronounced than in jobactive.
- › 'Lunchtime Learning' sessions were delivered in June to upskill staff in areas identified as risks to compliance or performance. These sessions will continue into the new year.

- › Workways continued to fund a collaborative marketing approach delivered by CoAct to drive leads in the DES program. In 2019/20, Workways received 544 leads with 154 commencements.

## YOUTH AND COMMUNITY SERVICES

Workways' Youth and Community Services incorporate a range of smaller employment programs that support youth or specified communities. These programs are Federal (ParentsNext, TTW) or State funded, and vary in financial structure from milestone grants to fee for placement.

### TRANSITION TO WORK (TTW)

Workways delivers TTW in the Gippsland and Townsville regions, supporting youth into education and employment.

- › In 2019/20, Workways opted to cease its partnership with Berry St to deliver TTW in parts of Gippsland. Workways will directly deliver TTW in all of its Gippsland sites from 1st July, 2020.
- › As a result of the pandemic and increasing rates of youth unemployment, Workways is expecting funded placements in TTW to increase in the new year, and has commenced resource planning to adequately prepare for this increase.
- › TTW is expected to represent up to 8% of Workways revenue in 2020/21, up from 4.6% in 2019/20.

### JOBS VICTORIA EMPLOYMENT NETWORK (JVEN)

Workways delivers the JVEN program across two employment streams with 'People with Disability' supported in the Latrobe Valley and East Gippsland, and 'Ex-Offenders' supporting people leaving the justice system in Melbourne.

- › As a high performing provider of JVEN, Workways has provided input into the proposed redevelopment of the program, due for delivery in late 2020.

## CASE STUDY OVERCOMING BARRIERS

**FOR BEENLEIGH RESIDENT MELINDA, FACING MULTIPLE BARRIERS TO EMPLOYMENT IS FAMILIAR TERRITORY BUT WITH SOME SUPPORT AND GUIDANCE FROM WORKWAYS, SHE IS BREAKING THROUGH THE BARRIERS.**



- › Workways received notification from State Government in November that the JVEN contract would be extended until September 2020, with further advice expected in July on its future.
- › Both streams have consistently met the performance targets set throughout the year.

### SMART, SKILLED & HIRED (SSH)

SSH is a NSW State Government funded program supporting youth employment, and delivered by Workways in Tweed Heads.

- › Workways received notification in the second quarter that the Smart, Skilled and Hired program would not be re-funded by the NSW Government after June 30, 2020. A replacement program has not been announced.
- › The three positions servicing SSH were made redundant due to the completion of the program, and staff were provided with adequate support prior to their final work date on 30th June.

### PARENTSNEXT

Workways delivers the federally funded ParentsNext program in Logan, Brisbane supporting parents and carers receiving parenting payments who have a child under 6 years of age, to commence study or employment.

- › Workways addressed performance issues in this program early in the year, with outcomes improving in the latter part of the year.
- › The pandemic and temporary easing of mutual obligations has impacted the effectiveness of the ParentsNext program, however staff continued to maintain contact to encourage engagement amongst jobseekers.

Melinda 'Mindy' had been unemployed for more than seven years. During this time, Melinda experienced homelessness, battles with addiction and was told that she would never participate in full time work again due to physical injuries.

However, this all changed when she met with Workways Logan Recruitment Partner Mostyn Rudge. After ongoing mentorship and inspiration, Melinda commenced a Certificate II in Food Processing course. It was this course that reignited Melinda's passion for the hospitality industry and belonging to a team in a professional environment.

The course enabled Melinda to find the courage to apply for work and attend job interviews. She successfully obtained employment with Contemporary Catering working at an Arcare Aged Care Facility as a Kitchen Attendant. Melinda has now been employed for six months and has

### BETTER FUTURES

Better Futures is a Victorian State Government employment & education program delivered by Workways in Gippsland and the Hume region supporting young people aged 16-21 who are on custody or guardianship orders, in residential out-of-home care, or who have recently left care.

- › In January 2020, Workways commenced the new Better Futures contract, a replacement for the former Springboard program.
- › The Better Futures model brings together all leaving care providers and is designed as a one-stop-shop for young people leaving care, ensuring they receive quality support.
- › Workways commenced remote servicing of participants from March 2020 in response to the pandemic, ensuring regular support for this vulnerable cohort.

### GIPPSLAND ENGAGED MENTORING (GEM)

The GEM program engages with young people in East Gippsland who may be at risk of disengagement from school or community, and connects them with adult volunteer mentors who provide support and conversation for one hour per week. It is funded via a combination of State Government grants including Engage funding, and the Department of Justice.

- › In 2019/20, GEM had 95 mentors trained to support young people in need; its highest number of volunteers in the history of the program.
- › GEM supported 90 mentees across five schools in Bairnsdale, Lakes Entrance, Swifts Creek and Orbost.
- › In response to pandemic related restrictions, in March GEM developed online training sessions and 'Zoom' virtual cafes to support its mentors, while mentees continued to meet with mentors remotely via phone and video chat.

received several compliments from her team about her enthusiasm, passion and hard work.

Melinda continues to engage with Workways for support and credits them for helping give her the courage and support to achieve what she says is, the perfect job.

"When the road is blocked, look to Workways for help and it will soon become clear you can achieve everything and anything you set your mind to." Melinda said.

Having multiple barriers can be daunting for job seekers, but it isn't the be all and end all.

"Unemployment is not black and white. People often have a number of barriers that they need to overcome before they are in the position to look for work successfully. Workways can help with that. It's about sustainable employment and that is a process; before, during and after. For both the job seeker and employer," Mr Rudge said.

# PROGRAM PERFORMANCE

WORKWAYS' PLACEMENT RECORD ACROSS EACH PROGRAM WAS IMPACTED IN THE SECOND HALF OF THE YEAR BY THE COVID-19 PANDEMIC WITH MANY INDUSTRIES FAVOURED BY OUR CUSTOMERS FORCED TO CLOSE OR LIMIT OPERATIONS. STAFF HAVE FOCUSED ON ACHIEVING SUSTAINABLE EMPLOYMENT OR EDUCATION OUTCOMES FOR OUR CUSTOMERS.

## DISABILITY EMPLOYMENT SERVICES (DES)

1,163

DES clients successfully commenced in employment or education in 2019/20

520

clients remained in the same role for six months or more

55% 

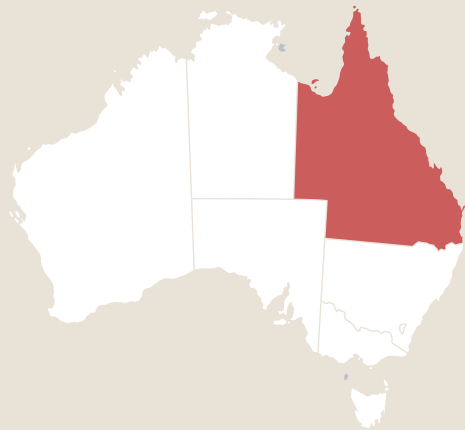
of sites achieved a star rating of 3 or above

## JOBACTIVE

2,260

jobactive clients successfully commenced in employment or education in 2019/20

Workways facilitated 1,122 Work for the Dole placements across Nth QLD



clients r  
role for

Nearly 80%  
in jobactive  
Annual A  
for W

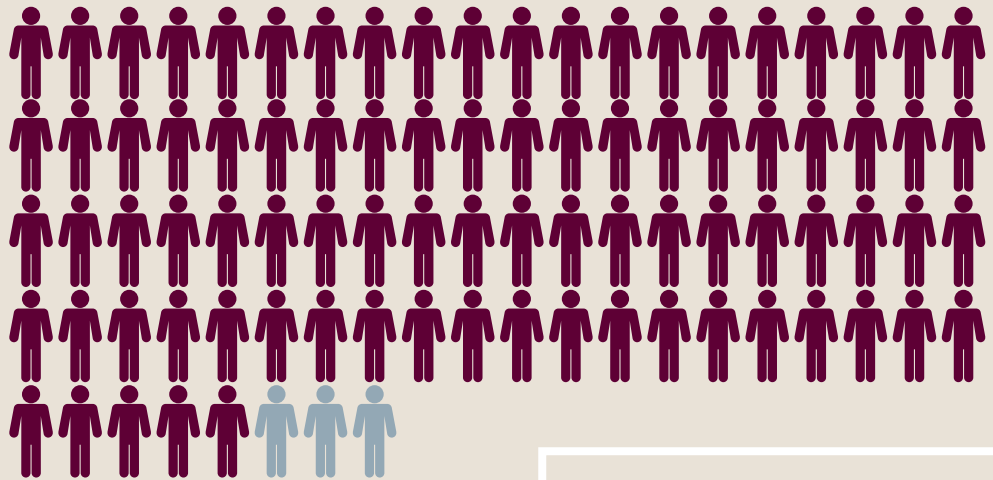
40% 

of sites achieved a star rating of 4 or above

\* Work for the Dole activities ceased 25th March 2020 due to the COVID-19 pandemic

YOUTH & COMMUNITY SERVICES

Workways placed **88** clients into employment in the Jobs Victoria program, with **85** customers remaining in the same role for 6 months



Workways is providing support to its largest Transition to Work caseload to date with

**1,209**

customers joining the program in Gippsland and Townsville, largely as a result of the COVID-19 pandemic.



Smart, Skilled and Hired\* placed **328** young people into work or education, representing **95%** of their caseload

\* The Smart, Skilled and Hired program ceased 30 June, 2020.

Workways supported

**1,073**

ParentsNext participants, an increase of **50%** on the previous year

Workways provided support to **61** out-of-home young people across Gippsland and Hume regions through its Better Futures program, an increase of **10%** on the previous year.

**61**

**+10%**

**724**

remained in the same six months or more



% of eligible customers active are meeting their Activity Requirements Work for the Dole\*



or above

COVID-19 pandemic



*Envite delivered a range of environmental training and employment programs including Skilling Queenslanders for Work traineeships, Work for the Dole and the Gippsland Drought Employment Program.*





**ENVITE ENVIRONMENT FINISHED THE YEAR IN A STRONG FINANCIAL POSITION, WITH REVENUES EXCEEDING \$4.5 MILLION, AND 92 STAFF EMPLOYED ACROSS THREE STATES.**

## ENVITE ENVIRONMENT

Envite's work to restore and rehabilitate natural environments, and provide employment and training opportunities for individuals continued with the delivery of more than one hundred projects this year. Large projects of note included:

- › Skilling Queenslanders for Work (SQW) in Townsville and the Numinbah Valley on the Gold Coast providing Work Skills traineeships in conservation and land management. Trainees from the program have had high success rates with 70% of participants moving straight into employment or further education.
- › The Drought Employment Program funded through East Gippsland Catchment Management Authority which provides flexible employment for people whose income has been impacted by drought and bushfire. Envite received an extension to the program in January 2020, valued at \$1.9 million.
- › Bush regeneration works across a range of reserves within City of Gold Coast Council areas.
- › The NSW Environmental Trust funding a project restoring and connecting rainforest habitat in Wanganui Gorge.

Envite was awarded a contract by Tweed Shire Council, for a three (3) year term, to provide a Project Officer for a regional koala conservation and recovery project. Envite employee Georgina Jones was appointed to the role where she has been working three days per week with Tweed, Byron and Ballina Shire Councils, Lismore City Council and Friends of the Koala to ensure that koalas in the project area are secure in the wild into the future.

Catastrophic bushfires across vast tracts of Eastern Australia had devastating impacts on native flora and fauna, with some conservation areas tended by Envite in Northern NSW destroyed by fire, including the habitat of the endangered coastal emu in the Bungwalbin region.

Communities in East Gippsland already impacted by drought lost 1.2 million hectares to bushfire. Expansion of the Drought Employment Program to incorporate individuals impacted by fire commenced in February although expansion into Far East Gippsland was delayed due to COVID-19 restrictions.

Other bushfire recovery works secured by Envite in north-eastern NSW include the Bungwalbin Wildlife and Habitat Bushfire Recovery project funded through the Australian Government. Bandjalang Indigenous bush regenerators will be engaged and mentored by Envite bush regenerators to assist restoration of cultural and natural values of the area. Other project activities include feral pig control and post fire monitoring of flora and fauna responses.

A Victorian State Manager was appointed in June 2020, and will commence in August 2020 to help expand the business and brand, and provide support to existing projects. This appointment is part of Workways' strategy to grow the Environmental services business across our footprint, and in turn provide support to jobseekers.

## CASE STUDY **DROUGHT** **EMPLOYMENT PROGRAM**

**CLINTON GEER WAS AFFECTED BY THE DROUGHT WHEN LOCAL FARMERS NO LONGER HAD A NEED FOR HIS SKILLS TO BUILD STOCK ENCLOSURES ON THEIR FARMS**



“Being a builder, I had a number of jobs lined up to build stockyards, but then they sold the cattle and I was out of a job.” said Clinton.

Work comes by reputation and word-of-mouth in Lindenow, a small farming community in Gippsland where Clinton lives with his partner and children. Clinton had developed a reputation for himself among locals as a reliable go-to builder.

He generated much of his work through local farmers, in building on-farm storage and cattle enclosures, but when the drought hit, many farmers were left with no option but to sell off their livestock, meaning that there was no need for stockyards. Another source of income for Clinton was in performing maintenance and repairs to properties rented out to local fruit and vegetable pickers. Again, demand for this line of work also dropped off when the drought hit. The prolonged drought had a devastating impact on local farmers, and the knock-on-effects were felt widely by the community.

In early 2019, Clinton heard about the Drought Employment Program through a mate. With guidance from this friend, who was already employed on one of the three crews operating in East Gippsland at the time, Clinton submitted his application to join the Program. He started work on the Bairnsdale team in March 2019.

“I enjoy the work, getting outdoors in different locations [I] get to see a lot of the area that I wouldn’t have seen otherwise.” added Clinton.

Four months into the program, Clinton was successful in applying for a supervisory role with Envite Environment, the division of Workways Australia which is overseeing the implementation of the Drought Employment Program in East Gippsland. Clinton now leads a team of 13 people, working on projects that benefit the local community and provide an income stream for participants. .

“The program has benefited me financially and mentally – I’ve met a lot of good people that will be mates for life.”



*Envite Environment operates across much of the Workways’ footprint including Victoria, New South Wales and Queensland. Workways is focused on growing this division of the business into the future.*

# MAJOR PROJECTS 2019/20

PROJECT	LOCATION	PURPOSE
<b>Clarence River Rehabilitation - Seelands</b> (NSW Government Soil Conservation Service)	Clarence Valley, Northern NSW	Riverbank remediation works including the planting and maintenance of 60,000 trees across 32ha to restore lowland rainforest and remediate erosion.
<b>Big Scrub Ecological Restoration</b> (Big Scrub Landcare Inc)	Bangalow, NSW	Restoring and connecting lowland subtropical rainforest.
<b>Community Conservation of the Emu in the Bungawalbin</b> (NSW Environmental Trust)	Bungawalbin, Northern NSW	Community education, habitat restoration and control of pest species to help increase emu numbers.
<b>Skilling Queenslanders for Work</b> (Department of Employment, Small Business and Training)	Townsville, Northern QLD	Conservation Training & Employment through the provision of traineeships in land management, in partnership with James Cook University.
<b>Skilling Queenslanders for Work</b> (Department of Employment, Small Business and Training)	Gold Coast, Southern QLD	Ecological restoration of the Numinbah Valley, providing traineeships in conservation and land management.
<b>Bush Regeneration</b> (City of Gold Coast Council)	Gold Coast, Southern QLD	Ecological restoration works on reserves across the City of Gold Coast local government area .
<b>Koala Conservation Project Officer</b> (Tweed Shire Council)	Tweed Shire, Northern NSW	Education and habitat restoration.
<b>Drought &amp; Bushfire Employment Program</b> (East Gippsland Catchment Management Authority)	East and Central Gippsland, Victoria	Land management works across the region, providing flexible employment for individuals impacted by drought or bushfire
<b>Restoring &amp; Connecting Rainforest Habitat in Wanganui Gorge</b> (NSW Environmental Trust)	Mullumbimby, Northern NSW	Restoring and connecting rainforest habitat
<b>Dorrigo World Heritage Area Ecological Restoration</b> (NSW Environmental Trust)	Dorrigo Plateau, Northern NSW	Restoring and connecting World Heritage Gondwana rainforests.

# NATIONAL COVERAGE



**Brisbane Region**  
Disability Employment Services  
ParentsNext

**Cairns Region**  
Disability Employment Services  
Environmental Services  
jobactive

**Canberra Region**  
Disability Employment Services

**Coffs Harbour**  
Environmental Services

**East Gippsland**  
Environmental Services  
Disability Employment Services  
Gippsland Engaged Mentoring  
Jobs Victoria Employment Network

**Gold Coast Region**  
Disability Employment Services  
Environmental Services

**Wollongong Region\***  
Disability Employment Services

**Latrobe Valley & Gippsland**  
Better Futures  
Disability Employment Services  
Transition to Work

\* Region to be divested in Q1 2020/21

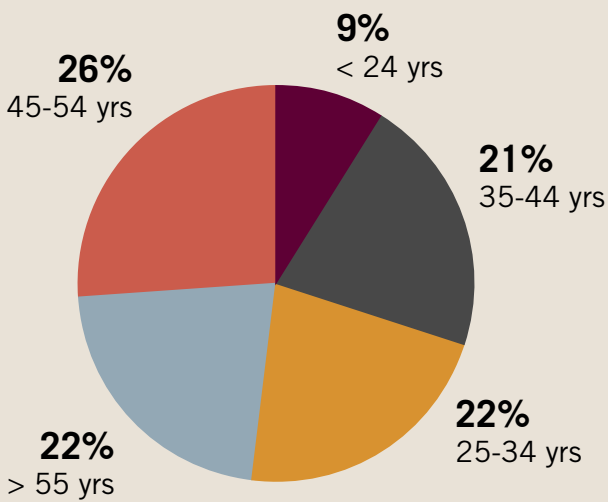


# OUR PEOPLE

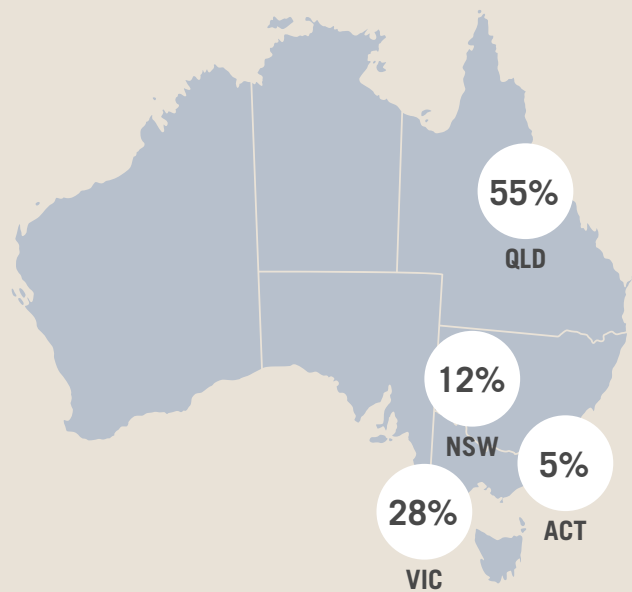
WORKWAYS HAS SUPPORTED MORE THAN 18,000 PEOPLE THROUGH OUR SERVICES IN 2019/20

 **330** TOTAL STAFF  
18% INCREASE ON THE PREVIOUS YEAR

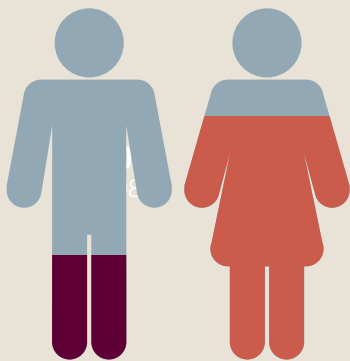
## DEMOGRAPHICS



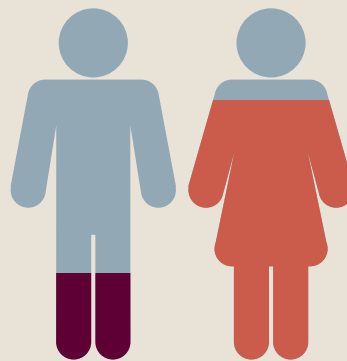
## GEOGRAPHICS



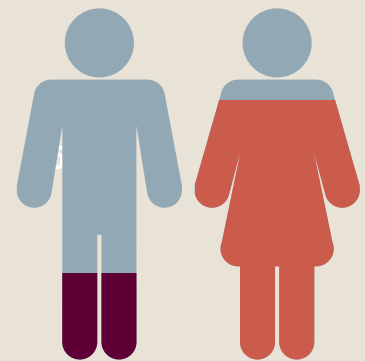
## GENDER DIVERSITY



## GENDER DIVERSITY EXECUTIVE



## GENDER DIVERSITY BOARD OF MANAGEMENT





## OUR EXECUTIVE TEAM



**Kieren Kearney**  
*Chief Executive Officer*

Kieren has worked in senior leadership roles across both private and not-for-profit sectors, and has over 16 years' experience in the Employment Services industry. Commencing in the CEO role at Workways in 2019, Kieren brings extensive experience and qualifications in project and change management, and is focused on developing high functioning teams through mentoring and development.



**Tina Feetham**  
*Chief People Officer*

An experienced HR specialist, Tina has held leadership roles in people management for over twenty years, with ten years' experience in the not-for-profit sector. Holding a graduate diploma in Human Resources, and a diploma of Management, Tina is committed to continuous learning and is currently completing her Certification of HR Practice with leading industry body, AHRI.



**Michelle Brett**  
*Chief Financial Officer*

Michelle commenced with Workways in 2018, following over 12 years' experience in similar not-for-profit organisations in both regional and metropolitan areas. Michelle holds a Bachelor of Accounting, and is an Associate CPA member. Michelle's extensive experience in Accounting and Financial management includes 8 years in the private sector where she worked directly with small to medium business clients.



**Suzanne Beals**  
*Finance Project Director*

Suzanne brings to the role of Finance Project Director, experience in both private and government sectors and possesses a 'whole of business' perspective with a financial capability. Suzanne's qualifications include a Bachelor of Commerce (with Distinction), a Graduate Certificate in Financial Planning and MBA completed through Federation University in June 2020.

## OUR BOARD MEMBERS

**Michael Nelson, Retired 27th November, 2019**

**Margaret Taylor, Retired 27th November, 2019**



**Thelma Hutchison**  
*Chairperson*

Thelma is an experienced governance professional with over ten years of board experience, including three years as Chair of the Workways' board. She has governance expertise with not for profit organisations in employment services, health and education, and indigenous services. Thelma's qualifications include Bachelor of Business, Certified Practising Accountant, and graduate of the Australian Institute of Company Directors.



**Russell Needham**  
*Deputy Chairperson*

Russell is a qualified accountant with 35 years' experience, and a member of the Australian Society of CPA's. He resides in Townsville and retains business interests in East Gippsland as joint partner in Jayco Gippsland. Over many years, Russell has been involved in industry, community and sporting organisations. This involvement includes holding executive positions in CPA Australia and VEDA.



**Angela Hutson**  
*Non-executive Director*

Angela is a Management and Education Consultant with over 20 years' experience in the VET/ TAFE sector and is a member of various Boards. Previously, Angela was the Chief Executive Officer of East Gippsland Institute of TAFE for 7 years. Her professional life has been committed to the maxim that "education changes lives". Angela's qualifications include Masters in Organisational Leadership, Graduate Diploma of Business in Entrepreneurship and Innovation, Diploma of Education and Bachelor of Arts. She is also a fellow of the AICD.



**Sue Salthouse** (dec. 20th July 2020)  
*Non-executive Director*

Sue has worked in the area of social justice and human rights all her adult life, and was the 2015 Canberra Citizen of the Year, 2014 ACT Senior Australian of the Year, 2020 ACT Senior Australian of the Year and a nominee for the 2014 Senior Australian of the Year. Sue has been a director of a number of organisations which address aspects of equity in access to education and employment, including Chair of Women with Disabilities ACT, Rights & Inclusion Australia (RI Australia), Women in Adult and Vocational Education and the Independent Advisory Council of the National Disability Insurance Scheme.



**Jane McKay**  
*Non-executive Director*

Jane has worked in marketing and communications for more than a decade and runs a digital marketing consultancy from her home in Bruthen, East Gippsland. Jane's qualifications include a Bachelor of Arts (Social Science), a Masters in Communications and Media, and an Advanced Diploma in Management. Jane has a keen interest in stakeholder engagement and examining the innovative ways Workways can assist its clients moving into the future.



**John Websdale**  
*Non-executive Director*

John has extensive local government experience and has held a range of senior management and executive positions in the Gippsland region. John's experience and expertise has been in corporate services, business development and strategic planning functions. John has also held board positions with Bairnsdale Regional Health Service, Gippsland East Local Learning and Employment Network and is the current Chair of Gippsland Ports Audit and Risk Committee.



**Jenny Semple**  
*Non-executive Director*

Jenny is a qualified auditor in QIC, NDIS and ARVAS standards. She was the CEO at the Southern Migrant and Refugee Centre for 20 years. Prior to that she worked for the state government in public housing and aged care. She has held board positions over the past 23 years including Refugee Council of Australia, Settlement Council of Australia, Chisholm TAFE and Darebin Community Health Centre. She is currently deputy Chair on the ECCV board. Her qualifications include a Bachelor Degree in Social Sciences and Graduate Diploma in Management.



**Marlene Elliot**  
*Non-Executive Director*

Marlene has worked in professional services for the past 15 years, specialising in client insights, stakeholder management, strategic marketing and communications. She is an experienced executive who successfully leads and motivates teams to enable behavioural change and embed a client centric culture. She is currently an Associate Director at VUCA Trusted Advisors. Marlene is a Non-Executive Director of Commonwealth Games Australia and Triathlon Australia, and has significant experience in the business and sporting arena, contributing to successful outcomes by engaging everyone on the journey.





**THE DIRECTORS PRESENT THEIR REPORT TOGETHER WITH THE FINANCIAL REPORT OF WORKWAYS AUSTRALIA LIMITED AND CONTROLLED ENTITIES ("THE GROUP"), BEING THE COMPANY AND ITS CONTROLLED ENTITIES, FOR THE YEAR ENDED 30 JUNE 2020 AND AUDITOR'S REPORT THEREON.**

# DIRECTORS' REPORT

## GOVERNANCE STATEMENT

Workways Australia Ltd is a Company Limited by Guarantee, incorporated under the Corporations Act 2001 and registered with the Australian Charities and Not-for-profits Commission (ACNC). The ACNC has set governance standards that must be met by Workways Australia Ltd so as to remain registered.

The Company Constitution requires a board consisting of not less than six and not more than eight directors. Directors provide the Board with a mix of skills, diversity of experiences and a range of viewpoints for decision-making. Responsibility for the governance of Workways Australia Ltd rests with the Board of Directors.

This governance statement outlines how the Board meets that responsibility.

## MISSION, VISION AND VALUES

The Board must ensure that the Group's activities are directed towards achieving its mission to deliver economic, social and environmental benefits to the community by enabling people to participate in the workforce, develop their potential and contribute to society.

The Board must ensure that this mission is achieved in the most efficient and effective way possible, while preserving and promoting the Group's reputation and objectives as identified in our constitution and in our vision and mission.

## SPECIAL RESPONSIBILITIES OF THE BOARD

The Board fulfils its role by:

- › Participating with management in setting and monitoring the strategic plan;
- › Recruiting the Chief Executive and providing guidance and performance monitoring;
- › Ensuring an appropriate executive succession plan is in place;
- › Ensuring ethical standards are met;
- › Ensuring effective governance processes are maintained;
- › Setting and monitoring corporate culture;
- › Ensuring appropriate risk management is in place;
- › Monitoring of organisational performance;
- › Compliance with the law and the requirements of regulators;
- › Financial control and monitoring solvency;
- › Approving and monitoring operating and capital budgets formulated by executive management;
- › Developing appropriate delegations with supporting policies and procedures;
- › Communication with key stakeholders;
- › Advocating on behalf of the Group.

These responsibilities are set out in the Board's Charter.

## MANAGEMENT'S RESPONSIBILITY

The Board has formally delegated responsibility for the operational management of the organisation to the Chief Executive and the Executive Management Team (EMT). The EMT comprises the Chief Financial Officer, Chief People Officer and Finance Project Director.

The Chief Executive provides the leadership of the EMT and the organisation, and is responsible for achieving the directions set out in the strategic plan. The Board has determined delegations of authority to the Chief Executive to facilitate operational decision-making.

Remuneration for Directors and the Chief Executive are set by the Board on recommendation from the Governance Committee. Guidelines are developed for EMT remuneration and these are used by the Chief Executive to determine levels.

## BOARD OVERSIGHT

The Board oversees and monitors performance by:

- › Meeting at least 10 times during the year;
- › Receiving detailed financial, performance and other reports from management at these meetings;
- › Receiving additional information and input from management when required;
- › Assigning responsibility to oversee particular aspects of the Group's operations to the two Board Committees: Audit and Risk Committee and the Governance Committee;
- › Establishing, annually reviewing and updating terms of reference for each of the Committees.

## DIRECTORS NAMES

The names of the Directors in office at any time during or since the end of the year are:

Thelma Hutchison (Chair)

Russell Needham (Deputy Chair)

Angela Hutson (Chair, Audit and Risk Committee)

Susan Salthouse (Deceased, 20 July 2020)

Jane McKay

Jenny Semple

John Websdale (Appointed 27 November 2019)

Marlene Elliot (Appointed 27 November 2019)

Michael Nelson (Retired, 27 November 2019)

Margaret Taylor (Retired, 27 November 2019)

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

## COMPANY SECRETARY

Michelle Brett, Chief Financial Officer was appointed Company Secretary on 28 June 2018. Anne Cox was appointed Interim Company Secretary for the period 23 January 2020 until 25 June 2020 during which Michelle Brett was on leave.

## OPERATING RESULT

The profit of the Group for the year after providing for income tax amounted to \$2,923,895 (2019: \$2,523,660 loss).

The surplus achieved in 2020 was a significant turnaround from the previous year's deficit, generated as a result of the factors discussed in Note 1, Section(b) Going concern and economic dependence.

In summary, revenue increased significantly by \$6.1M from \$31.1M to \$37.2M, with strong increases in key contracts such as Disability Employment Services, jobactive and youth and community services programs. Additionally, the Group received JobKeeper funding of \$2.4M.

In contrast, expenses increased by a far lesser proportion compared to 2019, increasing by \$900k from \$33.6M to \$34.5M, primarily as a result of improved productivity and performance, better utilisation of existing capacity through targeted organisational structural reform, strong cost control and systems improvements.

In line with our accounting policy the 2020 amortisation expense of the jobactive contract acquired in 2015 was \$140,806. Therefore, our final operating result before this amortisation is a surplus of \$3,064,701.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the Group's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

## OBJECTIVES AND STRATEGIES

Workways Australia Limited undertakes such activities as are suitable to achieve its principal purpose including:

- › The establishment, management and maintenance of facilities for the education, training and personal development of individuals, including disabled, who experience significant labour market difficulties;
- › Participation in government initiatives aimed at assisting individuals who experience long-term unemployment and other significant social disadvantages, including disability, which affect their ability to participate in the labour market;
- › The provision of practical and innovative labour market orientated activities and services;

- › The development and maintenance of networks with other service providers that assist individuals who suffer significant labour market disadvantage and disability;
- › Activities which stimulate interest and assistance through enhancing community awareness on issues affecting individuals who are disabled, those who experience long-term unemployment and socially disadvantaged people; and
- › Activities to enhance and restore the quality of our environment and contribute to improvements in the approach to environmental management.

**To achieve these objectives, the Group has adopted the following strategies:**

- › Provision of employment services in Queensland under the federal government's jobactive program to assist individuals who experience long-term unemployment to address barriers and gain placement in sustainable employment;
- › Provision of disability employment services in the ACT/Queanbeyan, Victoria, and Queensland;
- › Provision of support services to youth disengaged from education through the provision of employment and support services under the federal government's Transition to Work program in Victoria and Queensland;
- › Providing a service to young people between 15 and 21 years of age who are or have been in residential out of home care and who are disengaged from education or employment through the Victorian government's Better Futures program;
- › Providing a service to parents whose youngest child will reach school age in two years to identify their education and employment goals and develop pathways to achieve them through the federal government's ParentsNext program in Queensland;
- › Undertaking environmental reforestation and rehabilitation projects across our network;
- › Providing financial support to activities that directly address social disadvantage or stimulate further interest and assistance to relieve poverty, distress, misfortune or disability.

## AFTER BALANCE DATE EVENTS

### COVID-19 (CORONAVIRUS)

On 11 March 2020 the World Health Organisation declared an ongoing global outbreak of a novel coronavirus ('COVID-19') as a pandemic.

Subsequent to reporting date, the Group has experienced a moderate impact on the business, primarily as a result of the temporary relaxation of mutual obligations, temporary restrictions limiting some customer servicing, and the overall reduction of employment opportunities as a result of the economic downturn. The pandemic and the Australia Government's response to the pandemic continues to inhibit general activity levels within the community and economy.

### MERGER

On 1 July 2020 Envite Inc. has merged and transferred all existing operations, contract and trading with its controlling entity Workways Australia Limited.

Except for the matters discussed above, the impact of which on the Group cannot be determined with certainty at this time, there has been no matter or circumstance, which has arisen since 30 June 2020 which has significantly affected or which may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2020, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2020, of the Group.

## MEETINGS OF DIRECTORS

Directors	Number eligible to attend Directors' meetings	Number attended
Thelma Hutchison	13	12
Russell Needham	13	12
Angela Hutson	13	13
Jane McKay	13	11
Jenny Semple	13	12
Susan Salthouse	13	13
Michael Nelson	4	2
Margaret Taylor	4	4
John Websdale	9	9
Marlene Elliot	9	9

## MEMBERS' GUARANTEE

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute to a maximum of \$10 each towards meeting any outstanding obligations of the Company. At 30 June 2020 the number of members was 128 (2019: 129). The combined total amount that members of the Company are liable to contribute if the Company is wound up is \$1,280 (2019: \$1,290).

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit for the financial year is provided with this report.

Signed on behalf of the Board of Directors.



Director: **Thelma Hutchison**  
Dated this 22nd day of October 2020



**THE AUDIT AND RISK COMMITTEE (ARC) IS A COMMITTEE OF WORKWAYS AUSTRALIA LIMITED CREATED TO ASSIST AND ADVISE THE BOARD IN THE EFFECTIVE DISCHARGE OF THE BOARD'S RESPONSIBILITIES FOR FINANCIAL REPORTING, STATUTORY REPORTING, INTERNAL CONTROLS, COMPLIANCE, INTERNAL AND EXTERNAL AUDITS AND RISK MANAGEMENT SYSTEMS.**

## AUDIT & RISK COMMITTEE

The ARC considered matters relating to financial management oversight (including investments), risk management, internal control policies and procedures, quality and compliance and the internal and external audits of Workways Australia Limited and related entities.

Throughout the 2019-2020 year, the Audit and Risk Committee maintained a strong focus on financial and strategic risk management outcomes. This continued focus has resulted in:

- › Ongoing review and updating of the Workways strategic risk register including working with an external Risk Management consultant appointed to review the organisation's Risk Management Framework, Risk policy and the strategic risk register. This work is scheduled to be finalised in Q2 2020
- › The review of and recommendation to the Board of audited financial statements for 2018/19
- › Monthly review of the financial reports and recommendations to the Board, as required
- › Review and recommendations to the Board of the Workways budget for 2020/2021
- › Annual and ongoing review of the organisation's delegations
- › Review of internal auditing for better alignment to the organisation's strategic directions, priorities and needs
- › Ongoing tracking of financial compliance
- › The annual review of its Terms of Reference which resulted in a name change and a greater focus on financial KPIs and ratios to identify embedded risks
- › During 2019-2020 Jo Cain, an independent member of the ARC finished her term and the Board appointed Vivek Chopra to the vacancy. The Board and the ARC thank Jo for her valuable contribution and insight over her time on the ARC.

**Angela Hutson**  
*Chair, Audit and Risk Committee*

# GOVERNANCE COMMITTEE

**THE GOVERNANCE COMMITTEE WAS ESTABLISHED TO ASSIST AND ADVISE THE BOARD IN THE EFFECTIVE DISCHARGE OF ITS RESPONSIBILITY FOR CORPORATE GOVERNANCE.**

The Committee considered matters relating to policy development, evaluation of the performance of directors and the Board, succession planning, compliance with the Company's Constitution, Corporations Act and Regulations, ACNC regulations, other relevant legislation and common law, and ensuring that Workways operates in accordance with its stated Mission, Vision, Purpose and Values.

**Throughout the 2019-2020 year, the Governance Committee held four meetings with the following matters discussed and recommendations reported through to the Board:**

- › Development and review of Board key performance indicators (KPI's).
- › Oversight of the establishment of key performance indicators for the Chief Executive and a review of performance against those KPI's.
- › Ongoing review and updating of Governance policies to ensure their currency and relevancy to the organisation and the environment in which it operates.
- › Review and implementation of a modified Director Conflicts of Interest Register better suited to declarations of interest.
- › Annual General Meeting preparation oversight.
- › Review and implementation of a director skills matrix to identify gaps.
- › Oversight of the Director appointment and Board renewal process in line with the Workways' governance model.
- › Review and assessment that the organisation meets the ACNC governance standards.

**Thelma Hutchison**  
*(Acting) Chair, Governance Committee*



**WW WORKWAYS**

**Head Office Workways Australia Ltd.**

280 Main Street Bairnsdale VIC 3875  
PO Box 331 Bairnsdale VIC 3875

P. 1800 631 196

E. [enquiry@workways.com.au](mailto:enquiry@workways.com.au)  
[www.workways.com.au](http://www.workways.com.au)