

ANNUAL REPORT

2020/21

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.



Quality
ISO 9001
SAI GLOBAL



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CHAIRPERSON'S REPORT

Since Australia had its first case of coronavirus in January 2020, the scale and enormity of the COVID-19 pandemic has significantly changed our lives. In this second consecutive year of business interruption and economic uncertainty, the impacts have been felt deeply by our clients, staff, employers and the wider community.

On behalf of the Board of Directors I present to members, staff, clients, and key stakeholders the report for 2020-2021. The Board reflects on the unprecedented challenges of the past year, and we thank everyone in the Workways team for the way in which you have helped navigate our way through this most testing time. The Board focused on a shorter strategic horizon for the 2020-21 year, given the depth of the COVID-19 economic downturn and its unknown length. At the same time the Board was mindful that our business needed to remain fit and ready for the post COVID-19 economic recovery.

During the year, the company transitioned the information technology system from a server-based model to a cloud-based platform hosted in Australia. The new system has yielded immediate benefits in the COVID-19 working environment, providing flexibility for staff to work from home, improved team communication and collaboration, reduced costs and the need for future infrastructure replacement, increased data security and reduced cyber risk through improved compliance.

The investment in staff through the People Strategy Action Plan was well received and has led to professional growth, greater engagement and increased capability. This has been confirmed through the results of the recent staff alignment and engagement survey, with increased participation and a greater degree of positive feedback.

The Board commissioned a perceptions audit in order to assess government and industry stakeholder views on our profile, performance and engagement within our geographic footprint, and to gain intelligence that will better position the company to diversify our business offerings. As a result, the company will implement a more strategic approach to its relationships with government and other external stakeholders.

The pandemic reinforced the importance of the Board's role in ensuring risks facing the company are identified, assessed and well managed. In late 2020, the Board and Management worked with an experienced consultant to reset the company's risk appetite and confirm the effectiveness of the risk management framework. Risk management is embedded in the Board's decision making and the risk register is monitored through quarterly Audit and Risk Committee meetings.

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I am pleased to report a surplus of \$3,258,319 for the year ended 30 June 2021. Whilst total revenue decreased as a result of the impact of COVID-19 on our employment services, this was partially offset by increased activity in the Transition to Work and Environmental services programs. Total expenditure also decreased as a result of the staffing restructure at the beginning of the financial year, and the realisation of other operational efficiencies.

Our financial result this year builds on the surplus from last year, and provides a strong foundation for future investment and growth that will be aligned with the Strategic Plan for 2021 – 2024.

LOOKING TO THE YEAR AHEAD

The Board, CEO and Executive Management team developed the Strategic Plan for 2021-2024 at a workshop in May 2021. A renewed plan will be released in the final quarter of 2021 which continues the focus on a sustainable business delivering value to the communities in which we operate.

The Workways 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”, remains unchanged. Five company values underpin our culture and drive the behaviours and attitudes of the business. These values are: “Respectful, Accountable, Ethical, Sustainable, Engaged.”

The Strategic plan outlines our future direction, which will be to continue delivering our core employment and environmental programs, diversifying our business to seek growth opportunities, ensuring long-term sustainability of the company, maintaining a secure and fit for purpose technology environment, and investing in our staff through skills based training to improve job satisfaction and retention.

BOARD CHANGES

In November 2020 the Board re-appointed Russell Needham and myself, Thelma Hutchison, for a three-year term. Nina Du Thaler was appointed to a Casual Vacancy for a twelve-month term.

Having served as Chair of the Board for six years, I stepped down from the position on 30 June 2021. During the last twelve months the Board has had a focus on ensuring an appropriate Chair Succession plan was in place. I am pleased to advise that Russell Needham commenced in the role of Board Chair from 1 July 2021.

LEADERSHIP

Our CEO, Kieren Kearney, and the Executive Management team - Michelle Brett, Tina Feetham and Brett Thompson have demonstrated excellent leadership during the year, and the Board commends them for their superlative efforts.

The COVID-19 pandemic has posed unforeseen challenges for all businesses. However, the organisational changes that have been put in place, and the resilience that has been built into our business has us well placed to pursue opportunities in 2021-22.

Thelma Hutchison
Board Chair



CASE STUDY **TAKING THE INITIATIVE**



MARGERY

Margery had been unemployed for most of her adult life before she came to Workways. She has overcome alcoholism, hasn't had a drink for 8 years and has dealt with great loss in her life.

She explained to her Recruitment Partner, Jo, that while attending different employment agency appointments over the years she hasn't gotten anywhere near finding a job or even had a chance to interview.

Margery took initiative and signed herself up to a Cert II in Food Production course at the Logan East Community Neighbourhood Centre (LECNC) which included a life skills section to enhance self-esteem, motivation and change negative patterns to start making good choices and set life goals. Due to suffering high levels of anxiety she told herself she'll "sit next to the door of the course and run" whenever she felt the need, but she never ran. She graduated the course with high levels of praise for her cooking skills and ability to communicate with others.

After the course Margery came into the Workways office in Woodridge and said to Jo, "quick, lets get me moving forward while I'm motivated and feeling positive." Jo arranged a job interview for her and offered to do a makeover so she could feel confident attending the interview.

Just before Jo and Margery were ready to drive to the interview, the LECNC manager called her and offered her a job there. She had impressed them so much they wanted to hire her as a Trainee Barista/Cook for approx. 15 hours per week. Jo was there when Margery received the news and they cried with happiness.

CASE STUDY **DREAM, BELIEVE ACHIEVE**



SHONELLE

Shonelle was quite shy when we first met her but after a couple of appointments she started to feel comfortable and open up to her Youth Development Coach, Leita.

Shonelle is a part of our Transition to Work program in Townsville and with the guidance and support from Leita, she's been able to get a foot in the hospitality industry after never having a job before.

Shonelle worked really hard to obtain her Certificate III in Hospitality with Allara Learning through the Dream, Believe, Achieve Program which led her to complete her placement hours with the Mercure Townsville who then offered her ongoing employment.

The Mercure rarely employ anyone after their placement has been completed as they don't have many positions available so this is a huge achievement and just goes to show if you put your mind to something you can achieve it!

CEO'S REPORT

LIKE MOST ORGANISATIONS ACROSS AUSTRALIA, THIS PAST YEAR HAS TESTED THE RESILIENCE AND ADAPTABILITY OF WORKWAYS, SO I'M PLEASED TO REPORT THAT OUR PASSIONATE AND DETERMINED TEAM HAVE ENSURED WE MAINTAINED OUR COURSE.

We've finished the year with a surplus, and most of our programs have met or exceeded their targets, with the communities in which we operate the direct beneficiaries of our team's work. Workways has supported over 19,000 people in 2020/21, and we've achieved this by remaining connected despite the challenging environment.

The COVID-19 pandemic did have a direct impact on the number of jobseekers we could support into employment, with mutual obligations paused in many of our regions. While customers were not obligated to engage with employment services during these times, we ensured that our staff were available to offer remote servicing so that our customers could continue their employment journey.

Our employment services division has experienced both ups and downs in 2020/21, with the loss of two sub-contracts in Cairns and Aitkenvale respectively. This was a disappointing result for the business, and prompted a renewed focus on team and individual KPIs so we could avoid a similar outcome in future.

On a positive note, we were successful in gaining five new contracts valued at \$8.7m under the renewed Jobs Victoria program. These new contracts, commencing 1st July 2021, will expand our footprint into Eastern Melbourne for the first time.

The Envite team have had another good year, particularly in their work supporting bushfire affected communities. Envite were successful in gaining funding to support revegetation works in areas including Bungawalbin National Park and far East Gippsland. In addition, they received funding to continue the Skilling Queenslanders for Work natural resource management traineeships in Townsville and on the Gold Coast, supporting a young workforce into employment or further education.

A sustainability committee was established this year, led by Envite, to deliver recommendations and guidance to our Executive on initiatives we can implement to become a more environmentally responsible organisation.

In August, Workways delivered the Staff Alignment and Engagement survey seeking feedback on our workplace. Eighty percent of staff opted to complete the survey, providing us with important feedback on what we are doing well, and areas in which we could improve.

We delivered a number of important changes internally to help set Workways up for future growth. These changes included:

› **Regional Management Structure**

The restructure of our leadership providing staff with a more localised management team to guide decision making and service delivery.

› **ICT Transition**

Workways invested in a major ICT transition that overhauled our infrastructure allowing for improved connectivity and communication, better efficiencies, increased data security and lower costs.

› **Implementation of the People Strategy**

We delivered on a comprehensive people strategy which included emphasis on monthly manager engagement with staff, annual performance appraisals, delivery of leadership and professional development.

› **Reconciliation Action Plan**

Workways established a Reconciliation Action Plan working group that will deliver a new action plan in 2021/22.

› **Improved Risk Management Processes**

The Board and Executive Team worked with an experienced risk consultant to deliver an improved risk management framework, and internal processes to ensure risk is effectively captured and mitigated.

› **Achievement of ISO 9001 and ISO 27001 Accreditation**

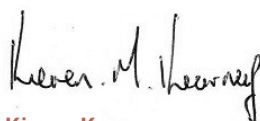
Workways retained its ISO 9001 accreditation and has successfully achieved ISO 27001 accreditation, a mandatory requirement of all employment service providers delivering Federal contracts.

› **Updated Uniforms**

Workways invested in new uniforms for staff that better reflect our branding, and are designed for the diversity of staff and the climates in which we operate. We also commissioned a Townsville based First Nations artist to design a Workways indigenous shirt.

The Board undertook a review of the Workways values, and we have worked hard to ensure these updated values are embedded in everything we do including inductions, staff reviews, decision making and our reward and recognition processes. We launched the Workways staff awards this year, with award categories focusing on both outstanding performance and demonstration of our values. Congratulations to Innisfail who were awarded site of the year!

As I reflect on the past year, and the unprecedented challenges that have faced our workforce and the wider economy, I am proud of the outcomes we have achieved and the immense efforts of our staff. Through strong internal investment we are well positioned to navigate the challenges and the opportunities that present themselves in 2021/22.



Kieren Kearney
Chief Executive Officer

CHIEF FINANCIAL OFFICER REPORT

During the 2021 financial year, Workways Australia continued to deliver a diverse 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.

Workways continued its strong focus on consolidating performance and improving service delivery throughout the 2021 financial year, by continuing to build a strong market presence, and investing in capacity building through improved systems, infrastructure, processes and skills.

Over the year the Finance Team continued work on improving systems and processes, and building team capacity. In addition, the merger of Envite Inc. occurred at the beginning of the financial year, removing duplication of effort and the need for consolidation processes, which has improved month end reporting timeframes and general efficiencies.

OPERATING RESULT

The 2021 financial year saw consolidated revenues decrease marginally by \$2.1m (5%). This reduction is primarily represented by declining revenue in the Disability Employment Services program of \$1.5m, and the Work for the Dole program by \$1.7m. Additionally, revenue of \$871k was generated in the 2020 financial year by the now closed labour hire arm of the business. Revenue increases were achieved in the Transition to Work program of \$2.7m, while Envite also achieved moderate growth, increasing revenue by \$852k. As in the previous financial year, JobKeeper funding was received to support the business through the challenges presented by COVID-19. Funding received this year was \$2.37m compared to \$2.4m in 2020.

Expenses reduced this year by \$2.7m, which offset the reduction in revenue. Employee Benefits Expense saw the most significant reduction of \$1.3m, followed by Client Expenses, which reduced by \$880k from the prior year. Depreciation and Amortisation expense also decreased by \$317k, while Other Expenses reduced by \$160k.

The operating result for the year was a surplus of \$3.26m (FY2020 \$2.92m). Over the year Workways continued to focus on implementing strategies begun in the previous financial year, following a change in leadership and restructure of the organisation. Investment in fit for purpose ICT infrastructure and support was made to ensure that the organisation was well positioned to be able to respond to the ever-changing environment and the challenges presented by the COVID-19 pandemic response. Some of these strategies included improving capability in remote servicing technology in order to continue delivering high quality and effective services

and remain connected with customers and stakeholders. Additionally, the temporary reduction of staff hours initiated at the beginning of Australia's pandemic response in 2020 continued into the early stages of the 2021 financial year, with a gradual return to full-time hours towards September 2020.

CASH FLOW

Cash flows from operations provided cash of \$11m (\$8m in 2020), while funds provided by financing activities were \$17k (\$423k used in 2020). Cash flows from investing used \$3.1m, similar to 2020 which used \$2.8m, representing the payment of leases under the new leasing standard implemented in 2020. Workways ended the 2021 year with \$14.46m in cash, an increase of \$7.88m on the 2020 closing balance of \$6.58m.

BALANCE SHEET

In line with Workways' accounting policy, a property valuation is undertaken every three years on all Workways' owned land and buildings. Since a formal valuation was undertaken in June 2020, the Director's determined that the balance sheet values fairly represented the market values of our owned properties upon review of informal curb side valuations. As such, no revaluation was recognised.

Consolidated assets held by Workways as at 30 June 2021 total \$24.8m (\$20.9m in 2020), while total liabilities were \$16.1m (\$15.5m in 2020).

Workways' consolidated total equity increased by \$3.3m (\$2.9m in 2020) due to the operating result for the year, resulting in a strong net asset position by year end and an improvement on the 2020 financial year. Total equity ended the year at \$8.6m (\$5.4m in 2020).



Michelle Brett
Chief Financial Officer

FINANCIAL PERFORMANCE 2020/2021

OUR REVENUE	2020/21 (\$'000S)	2019/20 (\$'000S)
jobactive	7,811	8,152
Disability Employment Services	13,934	15,467
Work for the Dole	391	2,140
Employment revenue	279	732
Envite - environmental revenue	3,123	2,270
Transition to Work	4,398	1,709
Youth & Community Services	2,584	3,109
Workways Recruitment - labour hire revenue	-	871
Interest and Other Revenue	2,538	2,767
Other Income	34	14
Total Revenue	35,092	37,231
OUR EXPENDITURE		
Employee Benefits Expense	19,022	20,372
Depreciation and Amortisation Expense	3,541	3,859
Client Expenses	721	1,601
Property Costs	926	701
Telephone	1,377	1,934
Job Futures & CoAct fees	2,008	1,990
All Other Expenses	4,239	4,085
Total Expenditure	31,834	34,542
COMPREHENSIVE INCOME / (LOSS)		
Other Comprehensive income	-	235
Total Comprehensive Income / (Loss)	3,258	2,924
OUR ASSETS		
Current Assets	16,535	9,878
Non-Current Assets	8,220	11,025
Total Assets	24,755	20,903
OUR LIABILITIES		
Current Liabilities	12,922	10,246
Non-Current Liabilities	3,208	5,290
Total Liabilities	16,130	15,536
Net Assets	8,625	5,367

OUR STRATEGIC PERFORMANCE



INCREASING SOCIAL VALUE

Strengthen existing programs and seek new opportunities that deliver value to clients and the community

- › Achieved 5 new contracts through Jobs Victoria
- › Funded places in TTW have grown by 100% from January 20 to April 21
- › Established direct membership of NESAs, and accessing resources as part of Learning & Development strategy
- › Established partnership with Juno Institute to support leadership training and program upskilling
- › Achieved annual Net Promoter Score of 43.1 in our DES program

GROWTH & DIVERSIFICATION

Achieve high quality service delivery across all programs

- › DES performance across all ESAs and contracts has improved by a cumulative 17 percentile from December 2019 to September 2020*
- › The loss of two subcontracts in Cairns and Aitkenvale impacted service delivery and led to a 53% reduction in jobactive caseload
- › DES caseload grew by 6% across the ESAs retained
- › Legislation register implemented
- › All safety targets achieved

Maintain and diversify revenue sources

- › DES, our largest program, represented 39% of revenue
- › JVES contracts secured achieving an increased footprint and contract size for 21/22
- › >5 Bushfire recovery grants secured to support environmental works
- › Attracted two Skilling Queenslanders for Work contracts in Gold Coast and Townsville
- › Attracted funding for two hosted Landcare facilitators

* Star ratings have not been reported for DES since September 2020 due to pandemic related interruptions to service



SUSTAINABLE BUSINESS

Improve the long-term sustainability of the business

- › Improved financial stability of the business despite impacts of the COVID-19 pandemic
- › Development and delivery of an improved risk framework and risk register across the business
- › Budget successfully met

INVESTMENT IN THE FUTURE

Invest in digital transformation that is fit for purpose and adds value to client service delivery

- › Implementation of a major ICT transition designed to significantly improve connectivity and scalability
- › 79% reduction in mobile phone spend, and 58% reduction in overall telephony costs

Invest in staff to increase their skills and improve job satisfaction

- › Implementation of the People Strategy
- › Leadership training and ongoing coaching delivered to new and emerging leaders
- › Investment in NESAs training

Create and develop a culture of accountability for all levels of staff throughout the organisation

- › 80% completion rate of the Staff Satisfaction Survey
- › 81 good news stories celebrating customer and project success stories published
- › Implementation of new performance appraisal system and mandatory monthly 1:1 schedule between managers and staff

EMPLOYMENT & COMMUNITY SERVICES

EMPLOYMENT & COMMUNITY SERVICES

Workways delivered employment and community programs in 2020/21 across a geographically diverse region, with services including youth mentoring, job readiness coaching and individualised employment support.

With interruptions to servicing and pandemic related lockdowns impacting a number of our sites, our teams worked on adapting servicing so they could maintain close connections with customers and employers.

Mutual obligations for jobseekers in our National programs were paused at various times throughout the year, which did affect labour markets and our ability to deliver outcomes for our jobseekers. In particular, our Work for the Dole business unit experienced prolonged disruption as activities were unable to run for around half of the year. Despite these challenges, baseline performance has improved and Workways has ended the year with good results across all of our programs.

JOBACTIVE

jobactive is Australia's largest employment service delivering employment support to jobseekers who receive welfare payments or income support. In 2020/21, Workways delivered jobactive, under sub-contract to CoAct, in Mt Isa, Charters Towers, Cairns, Ayr, Ingham, Aitkenvale, Thuringowa, Tully, Innisfail and West End in Northern Queensland.

In April, CoAct, our Master Contract holder, made the disappointing decision to take back the jobactive subcontracts from Workways in Aitkenvale and Cairns sites despite increases in Star Ratings percentiles in the last published release. This decision did result in job losses in that subcontract however we were able to redeploy the vast majority of our staff to other roles in the business.

Star Ratings were suspended in jobactive after September due to the pending procurement of the New Employment Services Model which will replace jobactive from 1 July, 2022.

CASE STUDY OVERCOMING OBSTACLES

KENT
IL PALAZZO BOUTIQUE HOTEL, CAIRNS



The new Regional Management model, introduced early in the year, had a positive impact on performance in our regions with staff embracing the localised management approach which also includes access to a dedicated human resources representative.

DISABILITY EMPLOYMENT SERVICES (DES)

The DES program is funded by the Federal Government and provides specialised employment support for jobseekers with a physical, mental or intellectual disability; injury or illness. It is Workways' largest contract and is delivered across ten Employment Service areas in Victoria, ACT/Queanbeyan and Queensland, under subcontract to CoAct.

Workways increased its caseload by 5% in the ESAs we retained and delivered over 1,000 placements despite a tumultuous year impacted by lockdowns, remote servicing and labour market instability.

High performing areas included our ACT / Queanbeyan region, Innisfail in northern Queensland and Calder in Melbourne. The performance in Calder was even more remarkable considering the frequency of pandemic related lockdowns in Victoria throughout the year. Our staff in this region went to great efforts to ensure that customers could continue to connect remotely with our services.

Recruitment to roles in DES have been challenging in a competitive employment market, and high vacancy rates in regions such as Brisbane and Logan, did affect performance. The teams are working with Human Resources and Marketing to expand the reach of recruitment campaigns.

YOUTH AND COMMUNITY SERVICES

Transition to Work (TTW)

Designed to support young people aged 15-24 years, the Transition to Work program is federally funded and is delivered directly by Workways in Gippsland, Mt Isa, Charters Towers and Townsville.

Connection with our young people, particularly in Gippsland, was the core focus for our teams throughout the year, ensuring that participants had all the right supports during a year where youth employment was heavily impacted.

Our services expanded in Gippsland with the establishment of new offices and extended hours in Leongatha, Warragul and Wonthaggi.

Due to the pandemic, we saw a significant increase in our caseload in TTW with an additional 200 participants joining our program across Queensland and Victoria.

A new tender for TTW services will be released in quarter 1 of FY21/22, with new contracts due to commence 1 July, 2022.

Jobs Victoria

The Jobs Victoria Employment Network (JVEN) is a State funded program delivering employment support to long term jobseekers, as well as specialised support to people with mental, physical or intellectual disability; or jobseekers who have recently left the justice system. Workways delivered these programs in East Gippsland, Latrobe Valley and Melbourne (Calder).

Kent always wanted to work; however, an intellectual disability made it difficult to sustain employment over the years but it's never curbed Kent's enthusiasm to want to give everything a go.

Kent started as a jobactive client being referred by Centrelink to Workways but was then transferred into Disability Employment Services. Kent hadn't worked for several years but had always proven reliable and turned up to all his appointments on time. He had always shown an eagerness and desire to find employment. Leanne from Il Palazzo Boutique in Cairns reached out to Workways looking to employ a person with a disability to give them a chance at equal employment opportunities. She wanted to give back to the local community, especially after COVID-19 had hit.

Kent was the perfect candidate and started employment shortly after his interview with Leanne. The team at Il Palazzo have been super supportive and patient with Kent, going above and beyond to make him feel comfortable and a part of the team. He's now been employed for nearly 6 months and is thoroughly enjoying his time being back in the workforce.

Because of Kent and the success and fulfillment that he has achieved at the Hotel, Leanne opened up another housekeeping position, requesting another Workways customer from the DES program jump on board.

Just one small business has been able to change the lives of two very deserving people. It's incredible what we're able to achieve when communities work together to create a better future for all involved.

Workways had another successful year delivering the JVEN program, exceeding performance targets across the network.

The JVEN contracts were scheduled to conclude in December, however we were pleased to have them extended a further six months to June 30, 2021. Workways submitted tenders for contracts under the revised model of the Jobs Victoria program – Jobs Victoria Employment Services (JVES) – and we were successful in gaining five contracts scheduled to commence 1 July 2021.

The new JVES contracts allow us to continue delivering services in our current regions, as well as expanding into Eastern Melbourne for the first time.

ParentsNext

The ParentsNext program supports parents and carers receiving parenting payments who have a child under 6 years of age, to become job ready through initiatives such as study and mentoring. Workways delivers this federally funded program in Logan, Queensland.

The program funding was extended this year to 2024, providing Workways with certainty for the future and the opportunity to continue providing support to parents and carers in need from Logan. This continuity was particularly important this year as we worked to navigate the connectivity challenges of the pandemic.

In the ParentsNext program, we saw an increase in our caseload of nearly 17%, a reflection of the increasing support needs of jobseekers in the Logan region.

Better Futures

The Better Futures program is an important support service for young people aged 16-21 who are on custody or guardianship orders, in residential out of home care, or who have recently left care. It is a Victorian State Government program that provides intensive and individualised support.

The Better Futures program, delivered by Workways in Hume and Gippsland, welcomed a new manager whose focus was on developing more efficient administrative processes so staff could dedicate more time to their clients. Significant improvements in processes and reporting were delivered in the last quarter of FY20/21.

All of the Better Futures team attended Mental Health First Aid training this year in order to be better equipped to deal with the complex needs of each individual on the program.

Gippsland Engaged Mentoring (GEM)

The GEM program is a volunteer mentoring program that connects adults with young people in East Gippsland who may be at risk of disengaging from school, or who may be at risk of engaging in criminal activity.

These volunteer mentors dedicate an hour a week to be with their mentees and provide conversation and support. In 2020/21, we supported 73 young people with mentoring across the region. In a survey conducted in May, we found that more than 82% of our young participants stated that mentoring had made a positive difference to their life.

The staff, volunteer mentors, and mentees of the GEM Program were recognised at the 2020 Volunteering Victoria State Awards for demonstrating immense resilience in response to bushfires and the COVID-19 pandemic. The GEM program was awarded the COVID-19 Resilience Award over a high calibre field of nominees, including St Vincent de Paul, Eastern Volunteer Resource Centre and children's education charity, Ardoch.

This award was in response to the adaptations that GEM introduced to enable mentors and mentees to continue their connection during lockdowns, and the establishment of a virtual 'café' where mentors could connect with the GEM team.

Partial funding for the GEM program was extended for a further 12 months, to assist Workways in continuing to deliver this vital service to the community.



PROGRAM PERFORMANCE

THE FREQUENCY OF COVID-19 LOCKDOWNS ACROSS OUR OPERATING REGIONS DID IMPACT PERFORMANCE WITH CUSTOMERS GIVEN THE OPTION TO PAUSE SERVICES DURING THESE PERIODS. WORKWAYS DELIVERED REMOTE SERVICING TO HELP CUSTOMERS TO REMAIN ENGAGED, AND OUR STAFF WERE INNOVATIVE IN THEIR APPROACH TO REMAIN CONNECTED TO EMPLOYERS.

In 2020/21, Workways have provided services to over

19,000

people across Australia

DISABILITY EMPLOYMENT SERVICES (DES)

1,045

customers with disability, injury or illness supported into employment in 20/21

+5%

The number of DES customers receiving support from Workways grew by **5%** across the 10 ESAs retained compared to 19/20

50%

Nearly **50%** of our customers placed into work remained in employment for six months or more

JOBACTIVE

1,768

jobactive customers were placed into employment in 20/21

+18%

The number of jobactive customers receiving support from Workways increased by nearly **18%** compared to 19/20

527

customers remained in employment for six months or more

Workways placed

1,614

Work for the Dole (WfD) Phase participants into mutual obligation activities across North Queensland



154 of those placements were in WfD Activities*

*WfD activities were paused from March 2020 to October 2020

YOUTH & COMMUNITY SERVICES



264 young people were placed into employment or education through our TTW program

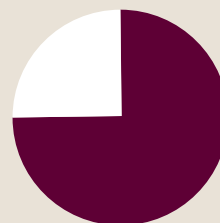
1,255

Workways provided support to 1,255 young parents in Logan, QLD through the ParentsNext program

Workways supported **1,408** young people in North Queensland and Gippsland through the Transition to Work (TTW) program, a **16%** increase on the previous year

1,408

+16%



Nearly **75%** of customers who joined our Jobs Victoria program, were successfully placed into employment or education in 20/21



ENVITE ENVIRONMENT

Envite Environment delivered more than 150 environmental works projects in 2020/21, with emphasis on the rehabilitation and revegetation of areas impacted by the catastrophic Black Summer bushfires in 2019/20.

The strategic focus on expanding services in Victoria continued with the appointment of a State Manager based in East Gippsland, an area of high conservation value where 1.2 million hectares were burnt in recent bushfires. In her first 12 months, our Victorian State Manager has continued to develop and strengthen Envite's partnerships in the region and there are a number of exciting new projects and initiatives in the pipeline for Victoria in the coming year.

Many of the major projects secured across Envite this year will run for several years, providing continuity of funding and the ability to guide longer term rehabilitation works.

BUSHFIRE RECOVERY

The Black Summer bushfires of 2019-2020 had a devastating impact on Australia's ecosystems and wildlife. The fires burnt over 19 million hectares, destroying up to 7 billion trees and an estimated 3 billion animals either died or lost habitat. Envite have been successful in gaining Australian and State Government funding of over \$3 million to assist environmental, social and economic recovery from the Black Summer bushfires.

Already under threat of extinction, at least 6,000 koalas died in bushfires in New South Wales alone. Now, in addition to bushfire recovery grant funding, Envite Environment is working in partnership with World Wildlife

Fund (WWF) to restore burnt areas for koalas and other wildlife.

In the Bungawalbin area in North-east NSW, we continue to work in partnership with Minyurnai Indigenous bush regeneration team to restore extensive areas of public and private land. The area is part of a large wetland system which contains lowland subtropical rainforest, coastal swamp forests, coastal floodplain wetlands and dry sclerophyll forest providing old growth habitat. This is one of the most significant areas of fauna biodiversity in north-east NSW, with high arboreal mammal and marsupial population and threatened species.

Weed and vertebrate pest control is being implemented over 7000 ha of fire impacted National Parks estate and surrounding private property in a partnership with Bungawalbin Landcare, Bandjalang Traditional Owners, NSW National Parks and Wildlife Service and local community.

In East Gippsland, Envite were successful in gaining funding through the State and Federal Government's Bushfire Local Economic Recovery program to deliver weed control and rehabilitation in parks and reserves around Mallacoota.

Envite continues to provide a Project Officer for a regional koala conservation and recovery project. Envite works with Tweed, Byron and Ballina Shire Councils, and Lismore City Council to ensure that koalas in the project area are secure in the wild into the future. The project involves engaging private landholders in conservation and restoration of koala habitat through entering conservation agreements.

NSW Environmental Trust funded projects this year included bushfire recovery, restoration and connection of rainforest habitat in Wanganui Gorge and assisting recovery of the endangered North Coast emu population in the Bungawalbin area.

Employment and Training

Envite has continued its work in delivering skills and mentoring to trainees across the footprint, helping to build the conservation workforce and increase employment opportunities for jobseekers.

We have been successful in the continuation of funding for Skilling Queenslanders for Work (SQW) Work Skills traineeships in conservation and land management in the Gold Coast and Townsville areas. Trainees from the program have had high success rates with 70% of participants moving straight into employment or further education after graduation. The projects provide trainees with 18 weeks of work and training in Certificate 1 in Conservation and Land Management. Project partners include QLD Parks and Wildlife Service, James Cook University, Seqwater, PCYC, David Fleay Wildlife Park and community groups.

In East Gippsland, the Drought Employment program funding concluded in January 2021, having supported 70 people impacted by drought and bushfire with flexible, temporary employment. The program commenced in December 2018 and supported 68 community projects. Over the course of the program, participants planted

20,180 seedlings, restored 141km of waterways, maintained 283 kms of public access trails and managed weeds across 934 hectares.

Continuing our work to support communities to heal and adapt to environmental change in the region, Envite initiated a program to engage young, Indigenous or disadvantaged people impacted by bushfires in work, opting to do this through a series of Bushfire Recovery Conservation Traineeships (funded through the Australian and Victorian Government's Bushfire Local Economic Recovery Program). As with the Drought Employment Program, our trainee teams are out making a meaningful difference to societal and environmental recovery in the region post-bushfires, working with agency, community and landowners to support locally-important bushfire recovery works.

Bush Regeneration Works

Envite has been engaged by the Gold Coast City Council to deliver natural area restoration works across over 50 Gold Coast Reserves covering in excess of 400 hectares. This work is assisting the recovery of degraded ecosystems and improving biodiversity including habitat for threatened plant and animal species. This work has increased from one bush regeneration team to five bush regeneration teams now operating full time. In 2020/21, we established a depot in Nerang to support these works and the Skilling Queenslanders for Work team.

CASE STUDY A PLACE TO GROW



BREEANNA

Breeanna was referred to our Work for the Dole Bush Tucker, Planting and Community Project.

In the first few weeks Breeanna showed an interest in the tasks relating to sustainable land management and seed collection, so much so that she told her supervisor, Linda, that she could see herself doing this type of work as a full-time job.

During her time on the project, Breeanna completed nursery tasks, was taught sustainable land management best practice and was trained in the safe use of equipment including high performance power tools.

Linda was a fantastic mentor for Breeanna and encouraged her to explore a career in Horticulture and set herself goals to attain a traineeship.

Through participation in the Workways Work for the Dole project Breeanna applied and was successful in gaining employment with our environmental arm, Envite Environment.

Her first day of paid employment started in March and she's still loving every moment of doing field work and expanding her knowledge in the environmental sector.

MAJOR PROJECTS 2020/21

PROJECT	LOCATION	PURPOSE
Bungawalbin National Parks Bushfire Recovery	Bungawalbin National Park, NSW	Restoration of public and private land following extensive bushfires.
Bushfire Recovery Conservation Traineeships	East Gippsland, Victoria	Provision of traineeships in conservation and ecosystem management using bushfire recovery projects to build skills and real-world experience of participants.
Moonee Quassia habitat restoration (NSW Government Saving our Species Program)	Coffs Harbour & Grafton, Northern NSW	Continuing a 7 year program to monitor, conserve and expand the population of the critically endangered Moonee Quassia.
Big Scrub Rainforest Restoration (Big Scrub Landcare)	Byron Bay hinterland	Continuing a 25 year program of restoring lowland subtropical rainforest.
National Landcare - Smart Farms Program – Macadamia Farms	Richmond River, Northern NSW	Weed control and strategic revegetation of riparian buffer zones and drains is improving native vegetation, and habitat for threatened Koala populations.
Skilling Queenslanders for Work (Department of Employment, Small Business and Training)	Townsville, Northern QLD Gold Coast, South East QLD	Conservation Training & Employment through the provision of traineeships in land management.
Bush Regeneration (City of Gold Coast Council)	Gold Coast, South East QLD	Contract ecological restoration works on reserves across the City of Gold Coast local government area.
North East Hinterland Koala Recovery & Conservation	Tweed, Byron, Ballina & Lismore LGAs, Northern NSW	Engaging private landholders in koala conservation and habitat restoration to assist survival of this threatened species.
Restoring & Connecting Rainforest Habitat in Wanganui Gorge (NSW Environmental Trust)	Nightcap National Park Northern NSW	Restoring and connecting rainforest habitat. This extends a 12 year program of restoration of habitat for over 27 threatened species.

NATIONAL COVERAGE

Brisbane Region

Disability Employment Services
ParentsNext

Cairns Region

Disability Employment Services
Environmental Services

Calder Region

Disability Employment Services
Jobs Victoria

Canberra Region

Disability Employment Services

Coffs Harbour

Environmental Services

East Gippsland

Disability Employment Services
Gippsland Engaged Mentoring
Jobs Victoria
Environmental Services

Gold Coast Region

Disability Employment Services
Environmental Services

Latrobe Valley & Gippsland

Better Futures
Disability Employment Services
Transition to Work
Jobs Victoria

Lismore

Environmental Services

Mount Isa

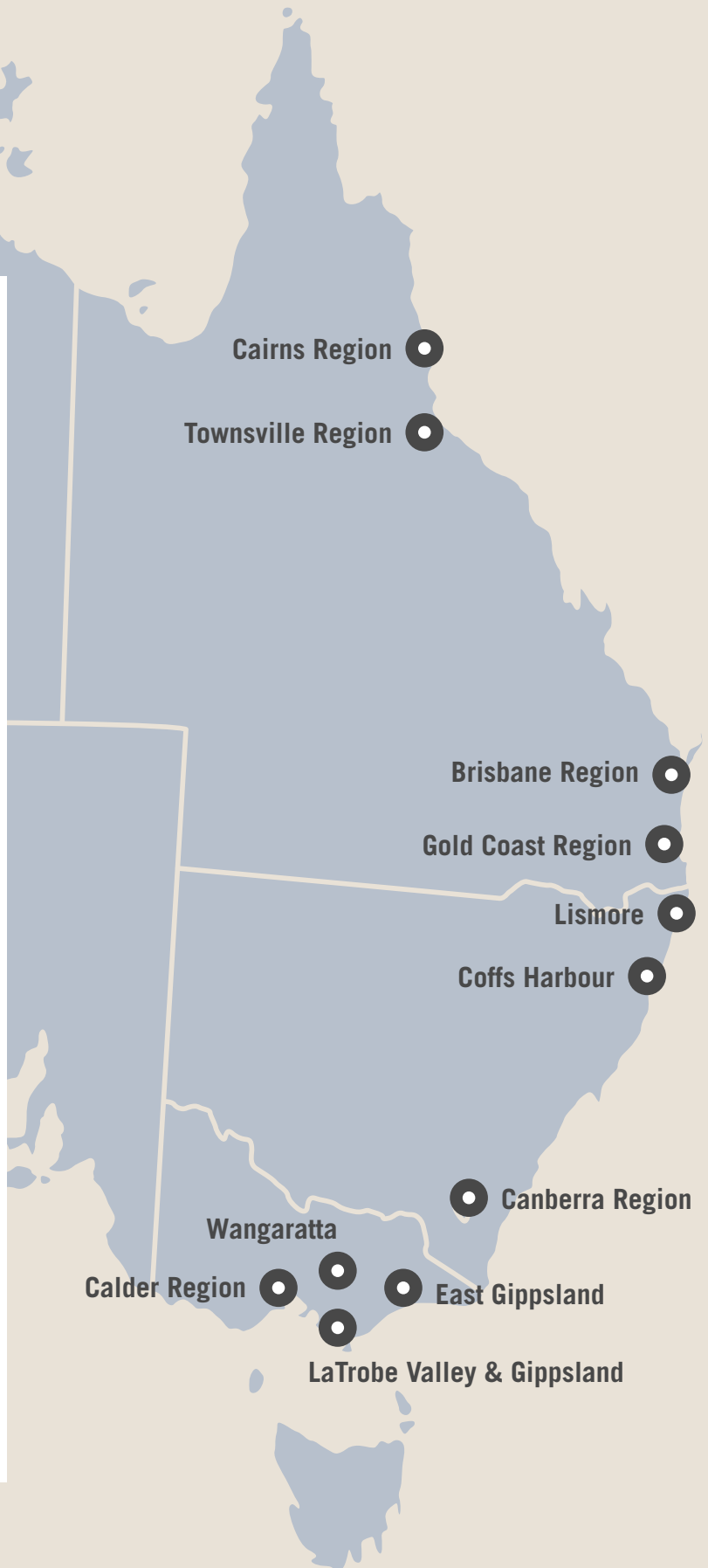
Disability Employment Services
jobactive
Transition to Work

Townsville Region

Disability Employment Services
jobactive
Transition to Work
Environmental Services

Wangaratta

Better Futures



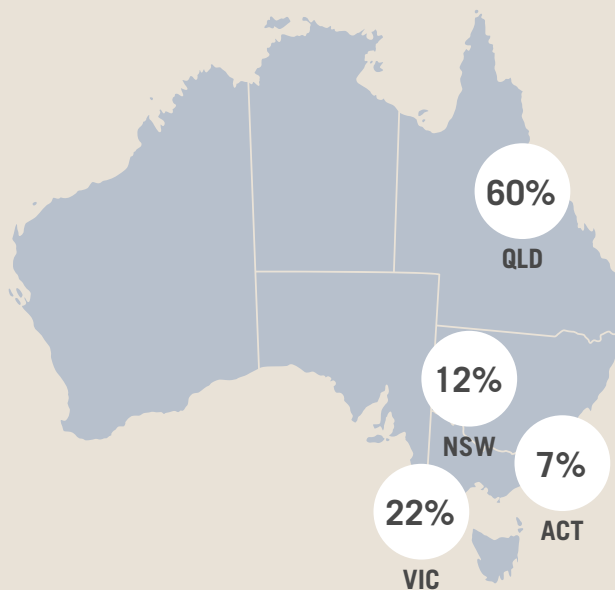
OUR PEOPLE

OUR STAFF PROFILE IS GETTING YOUNGER. WORKWAYS HAS SEEN A 7% INCREASE IN STAFF AGED 34 YEARS OR YOUNGER.

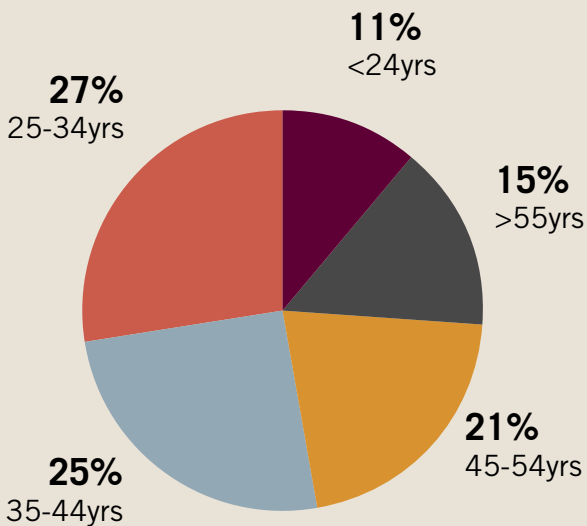


290
TOTAL STAFF

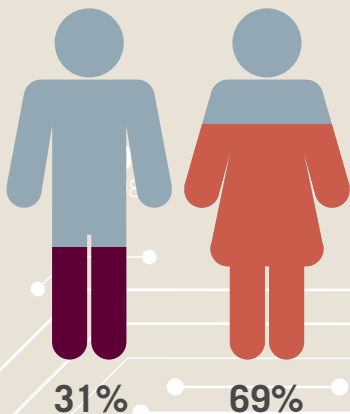
GEOGRAPHICS



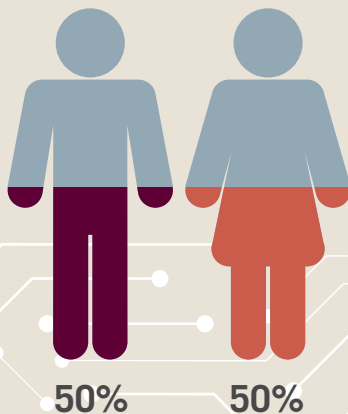
DEMOGRAPHICS



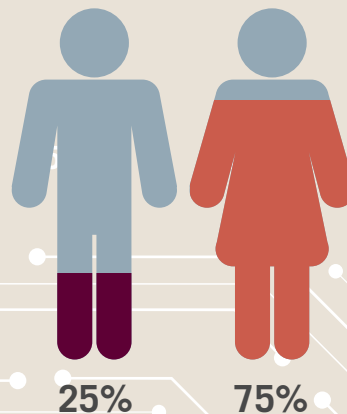
GENDER DIVERSITY ALL STAFF



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 18 years' experience in the Employment Services industry. Kieren brings extensive experience and qualifications in project and change management, and is focussed on developing high functioning teams through mentoring and development. Kieren has a Bachelor of Applied Science and is a Graduate of the Australian Institute of Company Directors.



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 a Certified Practising Accountant (CPA). 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.



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. Tina's focus is on developing an engaged and empowered workforce that aligns with the values of Workways.



Brett Thompson
General Manager, Operations

Brett is an experienced Operations Manager who has lead multi-national teams across the Employment Services and Vocational Education sector for over 18 years. Working primarily in the not-for-profit sector, Brett believes strongly in supporting the development of individuals to help them reach their full potential, and is an active advocate for disadvantaged people within our communities.

OUR BOARD MEMBERS



Thelma Hutchison
Chairperson

Thelma is a qualified management accountant with over 25 years' executive experience in the health sector. Her governance experience of over ten years includes board roles with not-for-profit organisations in employment services, health, education and indigenous services. Thelma's qualifications include a Bachelor Degree in Business, Certified Practising Accountant, and graduate of the Australian Institute of Company Directors (AICD).



Russell Needham
Deputy Chairperson

Russell is a qualified accountant with over 35 years' experience in public practice, and is now a retired member of CPA Australia. He resides in Townsville and retains business interests in East Gippsland as a partner in Jayco Gippsland. Over many years, Russell has been involved in industry, community and sporting organisations. This involvement includes holding executive positions on the Boards and committees of a number of these associations and community groups.



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 Government Boards and regional economic development forums. Previously, Angela was the CEO 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 a Masters in Organisational Leadership, a Graduate Diploma of Business in Entrepreneurship and Innovation, a Diploma of Education and a Bachelor of Arts. She is also a fellow of the AICD.



John Websdale
Non-Executive Director

John Websdale 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.



Marlene Elliott
Non-Executive Director

Marlene has worked in professional services for the past 15 years, specialising in client insights, stakeholder management, strategy, governance and marketing. She is an experienced executive who successfully leads and motivates teams to enable organisational change, increase performance and embed a client centric culture. She is an Associate Director at VUCA Trusted Advisors, consulting to the public and private sector, including SME and NFP. Marlene is a Non-Executive Director of Commonwealth Games Australia, Triathlon Australia and Peninsula Leisure, and has significant experience in the business, sporting and community sectors.



Jane McKay
Non-Executive Director

Jane McKay 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.



Nina Du Thaler
Non-Executive Director

Nina Du Thaler has worked in the ICT industry for 25+ years. Most recently, she managed the information, technology and transactional services operations of a large NFP in the healthcare and community services sector. Nina has held senior executive roles across a range of industries including healthcare, community services, emergency services, utilities, higher education, and State and Local Government. Nina is a Non-Executive director on the Industry Advisory Board for the School of Information and Communication Technology at Griffith University. During her downtime Nina has written and published five children's books on cyber safety.



Jenny Semple
Non-Executive Director

Jenny is a qualified auditor in QIC, NDIS and ARVAS standards. Previously, she was the CEO at the Southern Migrant and Refugee Centre for 20 years, and has also worked for the state government in public housing and aged care. Jenny has held board positions on the Refugee Council of Australia, Settlement Council of Australia, Chisholm TAFE and Darebin Community Health Centre, and is the current deputy Chair on the Ethnic Communities Council of Victoria board. Jenny's qualifications include a Bachelor Degree in Social Sciences and Graduate Diploma in Management.

DIRECTORS' REPORT

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 2021 AND AUDITOR’S REPORT THEREON.



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 General Manager Operations.

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 9 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, Finance 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:

Russell Needham (appointed Chair 1 July 2021, former Deputy Chair until 1 July 2021) Thelma Hutchison (resigned as Chair 1 July 2021)

Angela Hutson (Deputy Chair from 1 July 2021; Chair of the Audit, Finance & Risk Committee)

Susan Salthouse (Deceased, 20 July 2020)

Jane McKay

Jenny Semple

John Websdale

Marlene Elliott

Nina Du Thaler (appointed 26 November 2020)

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

COMPANY SECRETARY

Anne Cox, Executive Assistant to the Board was appointed Company Secretary on 1 April 2021.

Michelle Brett, Chief Financial Officer was the previous Company Secretary from 28 June 2018 until 1 April 2021.

OPERATING RESULT

The profit of the Group for the year after providing for income tax amounted to \$3,258,319 (2020:\$2,923,895).

The surplus achieved in 2021 improved slightly on the previous year's result and was generated as a result of the factors outlined below.

Revenue decreased marginally compared to the prior year, down by \$2.1M from \$37.2M to \$35M. Revenue from the Transition to Work program increased by \$2.7M, and EnviTE generated an additional \$852K compared to 2020, however Disability Employment Services revenue declined by \$1.5M, and Work for the Dole revenue declined by \$1.7M. Funds received under the JobKeeper scheme were similar to the prior year, totalling \$2.3M.

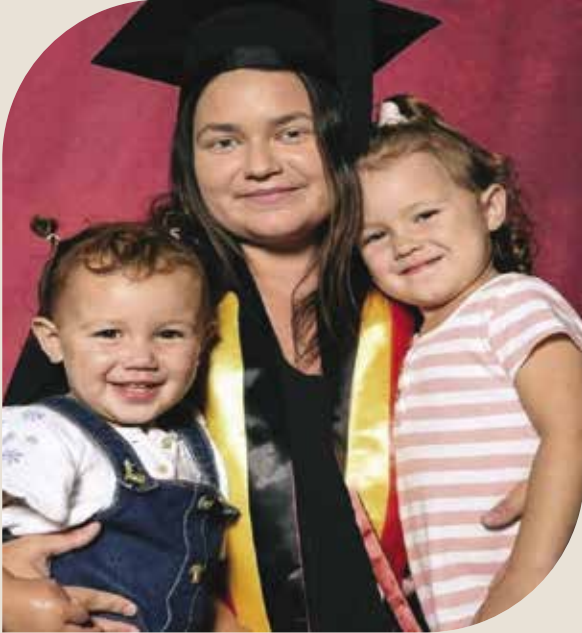
Expenses also decreased in 2021 by \$2.7M, from \$34.5M in 2020 to \$31.8M. The most significant decrease was in Employee Benefits expense, which decreased by \$1.3M on the prior year. This was the result of several factors; the first being that the Group made the decision to divest several Disability Employment Services regions in North East Victoria and New South Wales in November 2020. Additionally, following the initial COVID-19 restrictions in early 2020, staff voluntarily chose to reduce their hours over a period of time in response to the challenges presented by those restrictions, however, by September 2020 the majority of staff had fully returned to their pre-COVID contracted hours. Finally, in light of rolling lockdowns across most of the Group's regions which resulted in alterations to client servicing requirements, a conservative approach to recruitment was undertaken until the latter months of the 2021 financial year.

The Group recognised a gain on revaluation of property in 2020 following a formal valuation, which is undertaken every three years, whereas there was no increment or decrement recognised this year. Additionally, the Group ceased its labour hire operation in March 2020, which recorded \$871K in revenue last financial year.

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.

CASE STUDY A PATHWAY TO A BETTER FUTURE



KALI

Kali is a 22-year-old single mother of two beautiful girls. She fell pregnant at 17 and was about to finish high school when she had her first daughter. Before joining the ParentsNext program in November 2018, Kali was a stay at home mother, unsure of her future and the pathway she wanted to take. When she first joined our ParentsNext program she was unsure how the program would assist her.

The team had regular catch ups with Kali, motivating her to think about her future and future of her children and take the necessary steps towards study and employment. She enrolled in a Diploma of Community Services and discovered her passion within the Aged Care sector. Kali successfully completed her Diploma in Community Services, and went on to enrol in Cert III in Individual Support with Ashley Institute so that she was able to gain Aged Care/Home-based care experience.

Kali successfully completed her Cert III and shortly after gained 2 employment offers within the Aged Care Industry. She had the ability to choose the one that best suited her situation and family which was able to give her peace of mind.

Workways were able to assist Kali with gaining her Blue and Yellow Card in order for her to commence employment along with some work attire. Kali and her ParentsNext coach continue to work together to ensure a successful employment outcome as a valued Support Worker.

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;
- › Support for young people transitioning from state care and volunteer mentoring for at risk and disadvantaged students;
- › 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;
- › Connecting young people who may be 'at risk' of disengagement from school or community with adult volunteer mentors who provide support and conversation through the Gippsland East Mentoring 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)

The State Government of Victoria enacted a lockdown commencing 16 July 2021. The restrictions of this lockdown, and further lockdowns in both regional Victoria, the ACT and New South Wales, that have since occurred and are ongoing, have meant that operational activity in these regions has been lower since restrictions came into place.

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

The impact of any available State and Federal Government support packages are yet to be determined. As at the date of this report, the Group is unable to determine the long-term impact on the business at this time or when operations in Victoria, the ACT and New South Wales will return to pre-lockdown levels.

Other than the matters above, there have been no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

MEETINGS OF DIRECTORS

Directors	Number eligible to attend Directors' meetings	Number attended
Thelma Hutchison	13	12
Russell Needham	13	12
Angela Hutson	13	12
Jane McKay	13	13
Jenny Semple	13	10
Susan Salthouse	-	-
John Websdale	13	13
Marlene Elliot	13	12
Nina Du Thaler	8	8

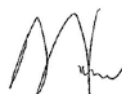
MEMBERS' GUARANTEE

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 outstandings and obligations of the Company. At 30 June 2021 the number of members was 126 (2020: 128). The combined total amount that members of the Company are liable to contribute if the Company is wound up is \$1,260 (2020: \$1,280).

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.



Russell Needham
Director

Dated this 28th day of October 2021

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 2020-2021 year, the Audit and Risk Committee maintained a strong focus on financial and strategic risk management outcomes which has resulted in:

- › Working with an external Risk Management consultant to finalise the organisation's Risk Management Framework, Risk Policy, Strategic Risk Register and Risk Appetite Statement.
- › The review of and recommendation to the Board of the audited financial statements for 2019/20
- › A quarterly review of the financial reports and recommendations to the Board, as required
- › The review and recommendations to the Board of the Workways budget for 2020/2021

- › The annual review of the organisation's delegations
- › Ongoing tracking of financial compliance
- › The annual review of its Terms of Reference

During 2020-2021 Abbas Khambati, an independent member of the ARC finished his term. The Board and the ARC thank Abbas for his valuable contribution and insight over his time on the ARC.

Angela Hutson

Chair, Audit and Risk Committee

GOVERNANCE COMMITTEE

THE GOVERNANCE COMMITTEE WAS CREATED TO ASSIST AND PROVIDE RECOMMENDATIONS TO THE WORKWAYS BOARD IN THE EFFECTIVE DISCHARGE OF THE BOARD'S RESPONSIBILITIES AND OBLIGATIONS, INCLUDING A ROBUST FRAMEWORK TO MAINTAIN APPROPRIATE GOVERNANCE CONTROLS AND COMPLIANCE.

The Governance Committee considered matters relating to policy review and 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 Workways operates in accordance with its stated Mission, Vision, Purpose and Values.

Throughout 2020/21 the Governance Committee held five meetings. This year was very different due to COVID and government restrictions. Whilst scheduling face to face meetings was a challenge, virtual meetings were held. There was 100% attendance by all committee members at each meeting, there was deep engagement and robust conversations, and reporting timelines were met.

The details below highlight the key matters that were discussed and recommendations reported through to Workways Board:

- › Ongoing review and updating of governance policies to ensure accuracy and relevancy to the organisation and the environment in which it operates
- › Oversight of CEO performance review, KPIs, contract and remuneration
- › Board Performance Evaluation and reporting of results
- › Annual General Meeting preparation and compliance oversight
- › Oversight of the Director appointment and Board renewal process
- › Review and implementation of Director skills matrix to identify gaps
- › Implementation of an annual assessment of ACNC and AICD governance standards
- › Oversight of operational policy and procedure review
- › Review of Director induction program

Marlene Elliott

Chair, Governance Committee



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