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For Jobs.



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Established in

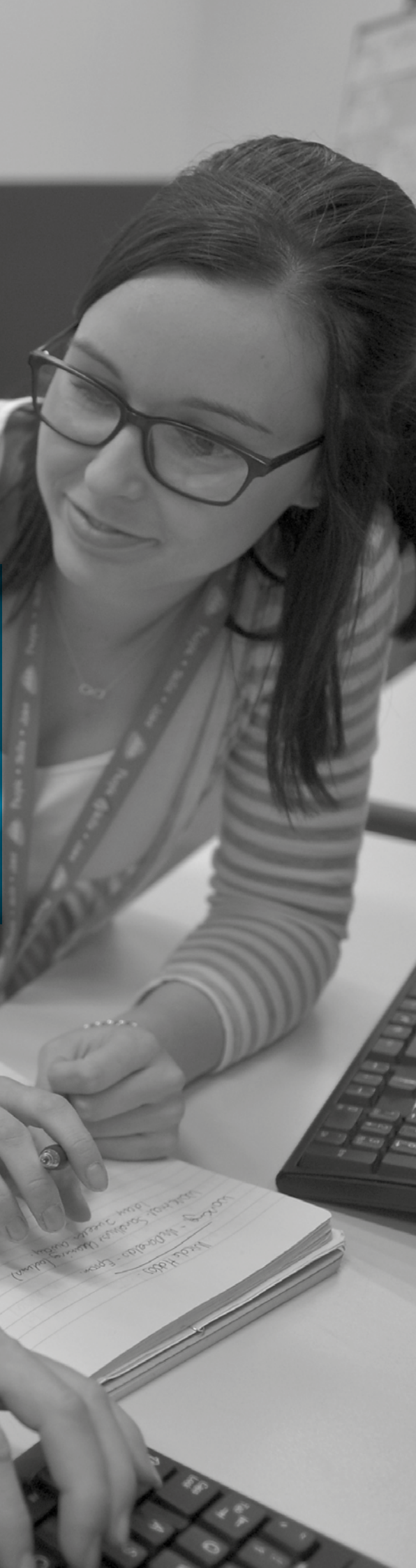
**1997**

as the peak body for all  
Australian employment  
services

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We advocate on behalf  
of our industry and  
deliver strategic and  
practical leadership  
and support.





## About us

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NESA represents member views through its policy development. It advocates on behalf of the industry, and delivers strategic and practical leadership and support.

Established in 1997 as the peak body for all Australian employment services, NESA members have extensive coverage of jobactive (Job Services Australia until 30 June 2015), Disability Employment Services, Community Development Programme (formerly known as the Remote Jobs and Communities Programme), as well as other critical complementary employment related programmes. NESA's coverage is unique as our membership includes community, not for profit and private sector service delivery organisations.

NESA's focus is on ensuring we have a vibrant and sustainable employment services industry, and we are dedicated to the development and improvement of employment services and related programmes to ensure that every individual who wants to participate in the world of work can do so.

## Our mission and vision

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Work undertaken by our members to achieve sustained employment for disadvantaged people is demanding. It requires high levels of skill, great patience, dedication and compassion.

This critically important work directly benefits people seeking employment and achieves our mission to lead a sustainable, effective and diverse employment and related services industry through:

- Influential representation and advocacy;
- Delivering effective member support and development; and
- Strong partnerships.

## Chair's Report



NESA's representation, advocacy and member services were again underpinned by a commitment to excellence in a year marked by cross-industry change.

The Board continued its consideration of strategic policy drivers, and the evolving employment and related services market. This ensured NESA remained relevant,

responsive and grounded. We underlined this through an increased diversity of members, enhanced member support, and a proactive approach in leading and influencing key industry discussions.

With the federal parliamentary term moving into its mid-phase, NESA's policy and advocacy efforts further increased our visibility and influence on behalf of our members.

Our work in remote Australia was further recognised and this reflected our commitment as an inclusive, progressive, considered member-driven organisation. At the same time, the G20 provided a unique opportunity to showcase our industry to international and domestic thought leaders in a series of meetings leading up to, and including the G20 meeting in Brisbane.

Australian employment and related services are highly regarded internationally and we were proud to

represent our members on this important international stage.

NESA provided comprehensive support to members in the lead up, during and after the changes from 1 July of the new jobactive services. These were anchored by an awareness of personal and organisational results and the challenges of change.

I commend NESA members for the incredibly important work they do across Australia. On behalf of the Board, I wish to acknowledge the support NESA receives from our members and our key stakeholders.

A handwritten signature in black ink that reads "Stephen Creese".

**Stephen Creese**  
Independent Chair

## CEO's Report



The employment and related services industry exists for people, and again this year our key focus was supporting, working for, and being a voice for people.

People in employment services have always relied on each other, and although the industry and technology have changed, what does not change is the shared custodianship of putting people first.

The reforms in jobactive and remote employment services, and the ongoing

development of disability employment services reaffirmed the need to cooperate and, collaborate. Our work for and on behalf of our members was also undertaken in the context that change brought with it the reality of people moving roles and in some cases, leaving our industry.

I pay tribute to everyone who served their local communities across all employment services programmes and note their important contribution. We thank you.

As I travelled around and met more people this year what struck me, yet again, was the ongoing desire by people in employment and related services to learn from each other, to share their experiences and to make positive change a daily reality. When our industry is acknowledged internationally as the leader that it is, I do not have to look far to see people doing great work.

As we look to the many changes across employment and related services, it's important to remember that there are remarkable professionals in this industry, and NESA is proud to represent them all.

The strength of character of our industry was demonstrated by the matter-of-fact manner in which changes were implemented, and how new challenges and opportunities were accepted and professionally managed.

I thank Board Chair Stephen Creese, and other Board members for their strategic focus and commitment throughout a busy year – as well as our members, team and key stakeholders including parliamentary, departmental, industry and international colleagues.

Our industry continues to evolve and we will evolve with it, and, as always, we'll place the needs of our members at the heart of everything we do.

A handwritten signature in black ink that reads "Sally Sinclair".

**Sally Sinclair**  
CEO

# Highlights

In 2014-2015 we:



Strategically engaged with members and stakeholders, drawing on member experience and feedback to comment on key industry issues.



Published reports and submissions that were underpinned by member feedback, best practice and our lengthy experience as Australia's peak employment and related services body.



Implemented a comprehensive Employment Services 2015 Transition package in the lead up to the commencement of jobactive on 1 July 2015, while our annual membership survey provided positive feedback.



Successfully implemented the Remote School Attendance Strategy (RSAS) Training Strategy Project, and delivered more than 250 individually tailored building capacity programmes, working directly with Remote Jobs and Communities Programme providers.



Held our 15th Annual Conference in Melbourne in July with the theme 'Powering the Future of Employment' and recognised excellence in our industry through our Annual Awards for Excellence and Discovery Grant.



Took a lead role in C20 (Civil Society) discussions in the lead-up to and during the G20 Leaders' Summit.



Supported members across a range of operational and policy issues on programme areas including Work for the Dole, Disability Employment Services, remote and Indigenous employment services, Job Services Australia and the transition to jobactive.



Supported members in meeting their training and organisational development needs through professional development outcomes which reflected the change across the wider industry.



On behalf of members made high-level representations on current and future employment services, disability employment services, welfare reform, Indigenous employment and training, and vocational education and training.





## Influential representation and advocacy

In a year marked by change and reform across many government-contracted employment programmes, NESA led critical discussions on behalf of our members.

We strategically engaged with members and stakeholders, drawing on member experience and feedback to comment on industry issues including the Employment Provider Services 2015–2020 Request for Tender, Disability Employment Services – Disability Management Services tender, and reforms in remote and Indigenous employment services.

Our representations saw a reduction of red tape in Job Services Australia and Disability Employment Services. NESA also successfully advocated for a contracted approach to Employment Provider Services 2015–2020 with five-year contracts, an issue that had been a key challenge for the industry; a mid-contract price adjustment for jobactive; and a regional loading in jobactive. We also made the case for an alignment with Disability Employment Services – Disability Management Services and Employment Support Services contracting.

On behalf of remote providers NESA sought a new financial framework for the Remote Jobs and Communities Programme as it transitioned into the Community Development Programme which was implemented, and supported remote providers into the new programme, including enhancing departmental communication and engagement with providers. The importance of investment in specialist youth services was recognised by government in the 2015 Federal Budget, and we continued to raise the importance of job creation as a key issue.

### Departmental meetings

Numerous meetings were held with Australian Government departmental officials in support of our work on behalf of members.

These meetings included discussions with officials from the following:

- Department of Employment
- Department of Health
- Department of Human Services
- Department of Industry

Our professional development opportunities throughout the year reflected the change across the wider industry, and supported members in meeting their training and organisational development needs.



- Department of Social Services
- The Treasury
- Department of the Prime Minister and Cabinet
- National Disability Insurance Agency

Our participation and contribution to various reference and working groups throughout the year included the following:

- Employment Provider Services 2015–2020 Expert Reference Group
- Employment Provider Services 2015–2020 Transition Reference Group
- Information Technology Advisory Group
- Work for the Dole Coordinator 2015 Transition Reference Group
- Contract Management and Performance Framework Working Group
- DES Operational Working Group
- JSA Advisory Group
- Partners in Recovery Capacity Building Project Expert Reference Group
- Tasmanian Jobs Programme Working Group

## Parliamentary Engagement

NESA's parliamentary engagement included high-level representations on current and future employment services, disability employment services, welfare reform, Indigenous employment and training, and vocational education and training. We also raised issues such as employment participation of young people and older people, community sector partnerships, and human services delivery.

The 2015 Federal Budget included a number of new measures to invest in employment opportunities, particularly for young people and also to better support transitions to work for people with disability. A number of these initiatives reflected priorities outlined in NESA's Pre-Budget Submission and other policy advocacy.

NESA appeared at a number of parliamentary inquiries in support of our submissions.

## Reports and Submissions

NESA published reports and submissions that were underpinned by member feedback, best practice and our lengthy experience as Australia's peak employment and related services body.

Our reports and submissions included the following:

- Response to Employment Services 2015–2020 Purchasing Arrangements Exposure Draft
- Pre-Budget Submission 2015–2016: Investing in Jobs
- Stepping Up: Helping Disadvantaged Young People on to the Employment Ladder
- Youth Employment: Creating Stronger Pathways to Work for Disadvantaged Young People
- Starting the Conversation: Disability Employment Services 2018 and Beyond
- Response to the Competition Policy Review Draft Report
- Response to the Interim Report of the Reference Group on Welfare Reform: A New System for Better Employment and Social Outcomes
- Response to the Inquiry into the Extent of Income Inequality in Australia
- Submission to the Inquiry into Inhibitors to Employment for Small Businesses and Disincentives to Working For Individuals
- Submission to the Inquiry into the Social Security Legislation Amendment – (Strengthening the Job Seeker Compliance Framework) Bill 2014
- Submission to the Inquiry into the Social Security Legislation Amendment – (Stronger Penalties for Serious Failures) Bill 2014

## Media

NESA published media releases on a range of issues, representing our members and highlighting the importance of cross-sector issues.

Issues covered in our media releases included changes to employment

services, purchasing arrangements for employment services from 2015, and compliance matters. We highlighted the excellence in our industry by congratulating our Awards for Excellence winners and the inaugural Employment Services Institute Life Fellow. We responded to announcements on employment services reforms and the employment services tender release. Comment was also made on the Disability Employment Services tender and jobactive services announcements.

We supported our advocacy through media releases and appearances on the 2015 Federal Budget, youth employment, the Intergenerational Report and proposed employment services reforms.

## Welfare Reform Reference Group

NESA CEO Sally Sinclair was a member of the Welfare Reform Reference Group, which was chaired by Patrick McClure AO.

In February in a speech to the National Press Club, then Minister for Social Services, the Hon Scott Morrison MP, released the Final Report of the Reference Group on Welfare Reform, A New System for Better Employment and Social Outcomes.

At the time of writing, the report is being considered by government.





NESA delivered  
more than

**250**

individually tailored building  
capacity programmes





# Delivering effective member support and development

Our services to members were underpinned by providing tailored support across specific programmes, and anchored by the further enhancement of cross-organisational member engagement.

## Member engagement

Our member engagement reflected the industry's changes. We implemented a comprehensive Employment Services 2015 Transition package in the lead up to the commencement of jobactive on 1 July 2015, while our annual membership survey provided positive feedback.

## Leadership Forums

Our Leadership Forums provided important macro-political and policy overviews for members.

Our Leadership Forum in August 2014 saw members briefed on NESA's perspective of the Employment Services 2015–2020 Exposure Draft.

In November 2014, CEOs and leaders considered key employment services programmes and discussions with the Department of Employment.

The Hon Luke Hartsuyker MP, then Assistant Minister for Employment, addressed our February 2015 forum, along with senior government departmental officials.

Our May 2015 Post-Budget Forum included a focus on jobactive, the Federal Budget, and political analysis.

## Special Interest Groups

Our Special Interest Groups reflected a plurality of views from members, ensuring operational viewpoints were synthesised into our policy and advocacy positions.

- Indigenous Working Group
- IT Reference and Reports Working Group
- Performance Management Working Group
- Quality and Compliance Special Interest Group
- Remote Jobs and Communities Programme Special Interest Group
- The Future of Disability Employment Services Taskforce
- Work for the Dole Coordinators Special Interest Group
- Youth Working Group

## Policy Helpdesk Services

Our Policy Helpdesk team supported members across a range of operational and policy issues on programme areas including Work for the Dole, Disability Employment Services, remote and Indigenous employment services, Job Services Australia and the transition to jobactive. Expert advice was provided across programmes, and we published operational bulletins highlighting areas of key interest and importance to members.

## 2015–2020 Employment Services Contract Support

During the transition to jobactive services, which commenced 1 July 2015, NESA offered a comprehensive programme of resources and events to support organisational management, professional development and policy support. This included advice on the Deed and programme guidelines, support to understand the operational requirements of the new contract and regular updates on key issues. In June, we delivered a training series on 'jobactive 101: Operating Government Contracts with Integrity', with NESA policy advisers also providing onsite member training.

## Remote Jobs and Communities Programme (RJCP)

NESA was awarded a further 12-month extension on the RJCP Building Capacity Programme, which provided invaluable

support to all 60 RJCP regions. In providing this support NESA successfully delivered more than 250 individually tailored building capacity programmes, working directly with RJCP providers and their Department of the Prime Minister and Cabinet network.

In addition to our building capacity support, NESA facilitated RJCP State Forums in Western Australia, Queensland and two forums in the Northern Territory. Feedback from these was positive and indicated a strong appreciation of NESA's personalised approach in working with remote providers.

To further extend our support NESA successfully introduced a number of new resources to support RJCP providers in their delivery of contracted services. These included a NESA RJCP Dashboard Pilot, which encompassed 16 RJCP providers and involved the testing and provision of a new centralised reporting dashboard for providers, and RJCP Toolkit with NESA designing more than 100 operational tools and templates for providers to access via the NESA RJCP Meeting Place website.

With reforms to the programme, NESA worked closely with remote members, providing a policy discussion paper and a financial modelling scenario to the Department of the Prime Minister and Cabinet, highlighting key areas of the policy reform and liaising closely with senior departmental officials.

We also introduced our new remote-focused monthly e-newsletter, further enhancing our communications with this key stakeholder group.

## Remote School Attendance Strategy

NESA successfully implemented the Remote School Attendance Strategy (RSAS) Training Strategy Project, which supports the Remote School Attendance Strategy policy introduced to increase attendance rates of Aboriginal and Torres Strait Islander students in schools across remote Australia. Through this project we are directly providing tailored training to all 69 RSAS locations.



To date, the NESA RSAS Training Strategy Project has involved 69 Remote Regions and 73 remote schools. Seven hundred and fifty-three Aboriginal workers attended local forums, with 76 forums completed and 13 new forums scheduled. We also designed and launched the new NESA RSAS website ([www.nesa-rsas.com.au](http://www.nesa-rsas.com.au)) and worked with 38 individual trainers and nine core training partners.

NESA also undertook a national skill profile of all RSAS workers and completed a national job profile that has guided the overall delivery of training. We worked on expanding face-to-face delivery of local forums to include a new online training platform. In conjunction with our e-learning designer, etrainu, we began developing the first of a series of accredited e-learning units, which will be introduced later in 2015.

Throughout the year we worked collaboratively and positively with RSAS providers and the Department of the Prime Minister and Cabinet. We have attended state forums in both Queensland and New South Wales and have recently facilitated a state workshop in Western Australia. In addition to our forum support, we have participated in a national advisory panel that meets quarterly to continually review the national training approach.

### International Women's Day Luncheon

Our International Women's Day Luncheon in March celebrated women in leadership roles within the employment and related services industry. Sponsored and hosted by NESA Industry Partner Marsh Advantage Insurance, our guests were honoured to hear from Australian of the Year 2015, Rosie Batty.

### National Conference

Our 15th Annual Conference was held in Melbourne in July with the theme 'Powering the Future of Employment'. We focused on the critical year ahead for members, including the future of employment services in Australia and the 2015 employment services tender. The Government announced purchasing arrangements from 1 July 2015, with Sally Sinclair providing comment to national media on this important issue.

Speakers included the Hon Luke Hartsuyker MP, then Assistant Minister for Employment, the Hon Alan Tudge MP, Parliamentary Secretary to the Prime Minister, and Renée Leon PSM, Secretary, Department of Employment. We also welcomed local and international experts such as the OECD's Jonathan Barr; Graham Webb MBE; Professor Peter van Onselen; Professor Jane den Hollander, Vice-Chancellor and President of Deakin University Australia; and Patrick McClure AO, Chair of the Welfare Reform Reference Group.

### National Employment Services Awards for Excellence

Celebrating a decade of industry achievers, our annual National Employment Services Awards for Excellence recognised excellence and innovation. Entries were received from members across all programmes, with the judges commenting on the high standard of submissions.

Sydney's Brett Morris was named Achiever of the Year, while Morris Corporation was our Employer of the Year. Giulia Teti from ACSO was recognised for her achievements as Employment Consultant of the Year, and The ORS Group's Kendall Hill-Smith received the perpetual Bright Star Award in Memoriam of Maily Duong – a former winner who sadly passed away in December 2013. Maily's parents and colleagues attended as special guests as the industry paid tribute to her.

Martine Pitt was named as the Employment Services Institute's inaugural Life Fellow in recognition of decades of outstanding service to her community. In her speech, Sally Sinclair said Ms Pitt's leadership and innovation over nearly 40 years was an inspiration to her peers.

"This recognition by the industry underlines the high regard in which Martine is held and is a deserving award. Employment services is a rewarding career and Martine is an exemplar of the commitment people in the employment and related services industry have in working with job seekers and employers."

### NESA Discovery Grant

Campbell Page manager Karena Newland from Sydney received the Discovery Grant supported by Kinetic

Superannuation, and she attended the OECD LEED Forum with Sally Sinclair in Manchester, UK, in June. On her return, Karena summarised her trip.

"The 11th Annual OECD LEED Forum, themed 'Local Leadership for Inclusive Growth' was held in Manchester in the UK, between 24–26th June while the JSA transition to jobactive was underway. The conference took place in the Manchester Town Hall, a beautiful Victorian cathedral-like hall, built in 1877. I did not know much about Manchester, but the locals were so proud of their heritage that I learnt about their history, including their role in the Industrial Revolution and other significant world events such as the splitting of the atom. I also had the opportunity to visit the iconic Old Trafford Stadium, the home of Manchester United Football Club.

The mission of LEED is to create more and better quality jobs through effective policy implementation, innovation, capacity building and integrated strategies at a local level. The programme demonstrated this commitment, and the key theme for the three days was the connection to leadership and the impact effective local leaders can have on the success of innovative programmes.

The social divide that continues to grow in many countries was also an ongoing subject, as well as the belief that the employment services industry – in partnership with employers and governments at all levels – can create quality jobs (which are a key to prosperity), and assist in reducing this inequity. There were more than 350 delegates in attendance, with so much experience and passion for making a difference that it was an absolute honour to participate.

There were 18 projects and initiatives presented, and it was clear there were committed leaders and employers who believed in investing in skills and staff to improve their local communities.

The Australian system continued to be highly regarded and talked about, and Sally Sinclair facilitated a presentation 'New Challenges Facing Public Employment Services', which was one of the highest attended sessions. When networking with other attendees they inevitably had questions about our system, and the results we continue to

achieve. I was approached by the Japan Institute for Labour Policy and Training, and have contacted them on my return to talk about the system in more detail from a provider's perspective.

I would like to take this opportunity to thank Kinetic Superannuation, which again was very generous in sponsoring this award, and the panel members for selecting me. I would also like to acknowledge the support that NESAs staff provided, particularly Carole Gregson, and Shelley at Travel by Design. Thanks also to Liz Rivers at Awards Absolute, who does a great job managing all the NESAs award processes every year.

Thank you to Campbell Page for the encouragement to apply, their support, and for allowing me to attend the forum at a critical time for the organisation.

Last, but definitely not least, I would like to thank Sally 'I Love Shoes' Sinclair, who was the most fabulous host for the entire conference. Her passion for this industry is contagious, and the relationships and contacts she had, which I benefitted from at this conference, were amazing.

After 12 years in this industry, my attendance at the forum and the contacts I made will remain a career highlight."

### Employment Services Professionals' Forum

The Employment Services Professionals' Forum was held in Melbourne in June, with a specific focus on the transition and preparation for implementation of the new jobactive services.

### Work for the Dole Forum

Our Work for the Dole Forum in Canberra in May was held a month after Work for the Dole Coordinator contracts commenced. This supported policy dialogue between providers and the Department of Employment on the launch of this new nationally rolled-out programme.

### Professional development

Our professional development opportunities throughout the year reflected the change across the wider industry, and supported members in meeting their training and organisational development needs. NESAs also held a

number of webinars to support members including Work for the Dole, service delivery plans, reverse marketing, media and privacy. Webinars also supported changes to policy requirements and promoted better practice around risk areas of programme provision, such as Job Placement and Outcome Fees.

NESAs continued to invest in delivering professional development opportunities to build employment services professionals' skills and knowledge. Forty-six workshops and webinars were delivered to approximately 900 participants. An average of 50 per cent of the workshops were held in regional locations. Workshop and webinar evaluations indicated a very high level of satisfaction. Understanding jobseekers' barriers and behaviours, post-placement support and employer engagement were the workshop topics in demand.

We worked closely with the Community Services & Health Industry Skills Council (CS&HISC) in reviewing the Employment Services Training Package. NESAs was an active member on both the Client Services Industry Reference Group and the Employment Services and Career Development Subject Matter Expert Group. We also provided input to CS&HISC on policy and workforce issues in relation to employment services for their Environmental Scan.

### ESIS

The Exposure Draft for Employment Services 2015–2020 included the Employment Services Industry Standards as one of the quality standards that providers would be required to have in place by July 2016. We provided professional development opportunities to support members and provided training to auditors. NESAs also provided information to providers about the implementation of quality standards as part of our transition support for Employment Provider Services 2015–2020.

NESAs RSAS Training Strategy Project has involved

**69**  
remote Regions and  
**73**  
remote schools.



46 workshops and webinars were delivered to

**900**  
participants





## Strong partnerships

Our thought leadership, collaborative approach and evidence-based insights featured across our work with Australian and international organisations.

### Stakeholders

Our external engagement was again underpinned by our commitment to working collaboratively with other peak bodies, leaders and stakeholders.

Organisations we engaged with included the following:

- Asian Pacific Association of Mentors
- Australian Chamber of Commerce and Industry
- Australian Council of Social Services
- Australian Council of Trade Unions
- Australian Retailers Association
- Australian Society of Rehabilitation Counsellors
- Brotherhood of St Laurence
- Business Council of Australia
- Business Council of Co-operatives and Mutuals
- Career Development Association of Australia
- Community Empowerment and Capacity Development Forum
- Community Services and Health Industry Skills Council
- Disability Employment Australia
- Good Shepherd Microfinance
- Group Training Australia
- Jobs Australia
- Mental Health Council of Australia
- National Australia Bank
- National Disability Services
- National Trauma Research Institute
- Recruitment Consulting Services Association
- Social Ventures Australia
- Victorian Employers' Chamber of Commerce and Industry
- Youth Development Australia

The strength of character of our industry was demonstrated by the matter-of-fact manner in which changes were implemented, and how new challenges and opportunities were accepted and professionally managed.



## G20/C20

Australia hosted the G20 in Brisbane in November 2014, with a series of lead-up meetings of senior international and Australian government representatives and officials. NESA was a leader in the international civil society discussions (C20), which coordinated civil society's input on relevant issues to the G20. Sally Sinclair was Co-Chair of the Inclusive Growth and Employment Working Group, Chair of the C20 Summit Sub-Committee and a member of the C20 Steering Committee.

NESA's engagement included the following:

- Sally Sinclair's presentation of a briefing on the C20's inclusive growth and employment policy agenda at the fourth G20 Taskforce on Employment in July.
- As the C20's lead employment and inclusion delegate, Sally presented civil society's key recommendations for G20 Labour and Employment Ministers. She also contributed to discussions around key issues on the G20 agenda at the G20 Labour and Employment Ministers Meeting held in September. Meetings were held with senior Australian, Canadian and European ministers.
- At the G20 Leaders' Summit, Sally Sinclair was interviewed by Sky News and ABC News 24.

## OECD forums

We engaged with other global employment services thought leaders via international fora, which highlighted NESA's leadership in capacity building and industry support. Events included the following.

- The 6th OECD LEED Expert Meeting of the Employment and Skills Strategies in Southeast Asia in Bangkok in September 2014.
- OECD LEED Conference in Seoul, South Korea, in October, where we were invited by the OECD and the Ministry of Employment and Labour in South Korea to discuss Australia's employment services system.
- During this visit a separate presentation to the Korean Employment Information Service was also made.

- The OECD LEED Forum on Partnerships and Local Development's 11th Annual Meeting was held in Manchester, United Kingdom in June. NESA's 2014 Discovery Grant recipient, Karena Newland, also attended the forum.
- At the Forum Board meeting Sally Sinclair's international leadership was recognised when she was appointed Vice-Chair of the OECD LEED Forum on Partnerships and Local Development.
- Prior to the OECD LEED Forum Sally jointly presented with senior Department of Employment colleagues to OECD, EU, UNESCO and French officials.

## International engagement and delegations

In addition to our ongoing leadership in the OECD, we also led discussions in other international meetings.

- Presentation at the World Association of Public Employment Services Forum in Peru on the Australian experience in managing regional and local approaches to the provision of public employment services, and a briefing for senior Peruvian Labour Ministry officials.
- NESA's General Manager Projects and Business Development, Matthew Clarke, attended the World Congress on Public Employment Services in Istanbul, in May 2015. With 250 delegates in attendance representing

60 countries, this was an invaluable opportunity to further enhance NESA's leadership globally.

- Participation in the APEC forum 'Investing in Human Capital, Building Inclusive Economies' in Port Moresby, Papua New Guinea, as part of the Australian Department of Employment's delegation in May 2015.
- NESA provided expert advice on contracted employment services to stakeholders including the Institute for Employment Research, University of Warwick in the UK and the Inter-American Development Bank.

We also met with government officials, employment providers and economic development organisations in New Zealand in April 2015.

NESA was also pleased to host a number of international delegations including:

- delegates from Qingdao, Shandong Province in China, with officials representing several employment, training and social service agencies;
- Research Fellows from the Korea Employment Information Service;
- delegates from New Zealand, including senior officials from the New Zealand Treasury and New Zealand Work and Income, and another delegation from the New Zealand Productivity Commission; and
- delegates from the UK Department of Work and Pensions.





Brett Morris

## **Achiever of the Year**



# ‘Powering the Future of Employment’

NESA National Conference, Melbourne, July 2014





# Financial Statements.

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For the year ended 30 June 2015

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# Directors' Report

## For the Year Ended 30 June 2015

The directors present their report, together with the financial statements of National Employment Services Association Limited, being the Group (NESA) and its controlled entity, for the financial year ended 30 June 2015.

### 1. General information

#### Directors

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

Names	Appointed/Resigned
Stephen Creese	
Matthew Little	Appointed: 21 November 2014
Katrina Spies	
John Perry	
Nicole Brouwers	Resigned: 21 November 2014
Michael Wasley	
Janelle Whitehead	
Geoff Manton	
Dave Higgon	Appointed: 6 February 2015

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

#### Short term objectives

The Group's short term objectives are:

- To enhance the development of the industry's personnel through the establishment of the Employment Services Professional Recognition Framework
- To influence the development of the Employment Services Industry Standards
- To improve engagement with members especially in regional and remote areas

#### Long term objectives

The Group's long term objectives are:

- To influence the shape of the Employment Services industry in Australia post 2015
- To lead capacity building within the industry at both individual and organisational levels
- To maximise the global potential of employment and related services for the industry

#### Strategy for achieving the objectives

To achieve these objectives, the company has adopted the following strategies:

- Shape and develop employment and related services policy
- Develop an accreditation framework which benefits our members
- Ensure that the organisation has the appropriate resources to achieve the strategic plan
- Proactively contribute to the development of high level policy of employment and related services through international research partnerships

#### Performance measures

The group measures its performance in a number of ways using both financial reports and non financial indicators. Such performance measures are produced by executive management and reported to the Board at each Board meeting, at least every two months. Such performance measures include Financial Reports, Membership numbers, Professional Development activities and Staffing indicators.

# Directors' Report

## For the Year Ended 30 June 2015

### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

#### Stephen Creese

<b>Qualifications</b>	Bachelor of Law (Hons); Bachelor of Arts - Melbourne
<b>Experience</b>	<ul style="list-style-type: none"><li>• Functional experience in legal, commercial, finance, project management, company secretarial and public affairs.</li><li>• 30 years with the Rio Tinto group in various legal and commercial roles, including that of Managing Director Rio Tinto - Australia from 2008 to 2009 and previously General Counsel Rio Tinto Limited from 1995.</li><li>• With Newcrest Mining Limited from December 2009 and until retirement on 1 July 2013 initially as General Counsel and Company Secretary and then as EGM Corporate Affairs with responsibility for government relations, media and community affairs.</li></ul>
<b>Special responsibilities</b>	Independent Chair of NESA; Convenor/Chair - NESA Nominations and Successions Committee; Senior Fellow Melbourne Law School; Member Advisory Board to AusAID with respect to the 'Mining for Development' initiative; Part-time member of the Australian Takeovers Panel

#### Matthew Little

	Appointed: 21 November 2014
<b>Qualifications</b>	Graduate Diploma Business Administration
<b>Experience</b>	Previous Board member Job Futures 2005 - 2006
<b>Special responsibilities</b>	Member of Nominations and Successions Committee

#### Katrina Spies

<b>Qualifications</b>	Bachelor of Education; Bachelor of Psychology
<b>Experience</b>	<ul style="list-style-type: none"><li>• Commenced on NESA Board mid 2001 until retiring in November 2006. Commenced again in November 2007</li><li>• Secretary RDA FNQ&amp;TS - Reappointed in 23 January 2012 as Committee Member until 30 October 2014</li><li>• Diploma of Company Directors (Australian Institute of Company Directors) 2010 - Current</li><li>• Winner of the 2012 Westpac Manager in Business Woman of the Year (Cairns Business Women's Club) May 2012</li><li>• 2012 Finalist Rural/Regional Manager of the Year (Australian Institute of Management)</li></ul>
<b>Special responsibilities</b>	Served as SIG convenor for Rural and Remote SIG for approximately 4 years



# Directors' Report

## For the Year Ended 30 June 2015

### John Perry

Qualifications	Member of Australian Institute of Company Directors; Member of Metro South Institute of TAFE (Queensland) Advisory Council; Chairman of The Australian Training Company
Experience	<ul style="list-style-type: none"><li>• General Manager of Employment, Education and Training Services for BoysTown</li><li>• Responsibilities include overseeing the youth specialist JSA and Youth Connections contracts and social enterprise businesses</li><li>• Established BoysTown Enterprises</li><li>• Pioneered a “work as therapy” model for welfare delivery to disadvantaged youths</li><li>• 37 years experience in education, training and employment industry in Government and non-Government sectors</li></ul>
Special responsibilities	Chair of the Audit and Risk Management Committee

### Nicole Brouwers

Qualifications	B.App. Sc. (OT); MBA
Experience	22 years working with people with injury, illness or disability and supporting them to gain employment or remain in work
Special responsibilities	Member of the Nominations and Successions Committee

### Michael Wasley

Qualifications	Bachelor of Science Post Graduate in Rehabilitation Counselling MBA
Experience	<ul style="list-style-type: none"><li>• 18 years experience in employment and community services industry</li><li>• 14 years management experience</li><li>• President of Carranballac College Council</li></ul>

# Directors' Report

## For the Year Ended 30 June 2015

### Janelle Whitehead

<b>Qualifications</b>	Councillor Coonamble Shire Council 1991 - 1999
<b>Experience</b>	<p>9 years in local government</p> <ul style="list-style-type: none"><li>• 21 Indigenous affairs involvement</li><li>• Member, Printing and Kindred industry 1976 - 1986</li><li>• Member, Aboriginal Medical Service</li><li>• Member, Community Organisations</li><li>• Member, Aboriginal Community Working Parties, Murdi Paaki Region</li><li>• Member, Murdi Paaki Regional Assembly</li><li>• Member, Job Services Australia</li><li>• Member, Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaltCSIA) CDEP Consultative Group (CCG) 2009 - 2012</li><li>• Member, Australian Government Department of Education, Employment and Workplace Relations (DEEWR) Transition and Reference group, 2013 RJCP Program</li><li>• Member, Outback Arts</li><li>• Deputy Chairman, Castlereagh Macquarie County Council (Weeds) 1995, 1996, 1998 and 1999</li><li>• 2005 Diversity at Work, Champion for Leadership and Diversity in the Workplace</li><li>• 2012 and 2013 Finalist, 100 Women of Influence</li><li>• 2013 Finalist, Women our West awards</li></ul>
<b>Special responsibilities</b>	Member of NESA Audit and Risk Management Committee

### Geoff Manton

<b>Qualifications</b>	Bachelor of Arts - Disability Studies Diploma - Lead Auditing
<b>Experience</b>	24 years experience in disability 21 years experience in Employment Services
<b>Special responsibilities</b>	Member of NESA Audit and Risk Management Committee

### Dave Higgon

	Appointed: 6 February 2015
<b>Qualifications</b>	Diploma of Project Management Diploma Frontline management Diploma O H S Workplace trainer and assessor
<b>Experience</b>	40 years' experience in building and construction Employee relations and safety manager

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

# Directors' Report

## For the Year Ended 30 June 2015

### Meetings of directors

During the financial year, nine meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Stephen Creese	8	6
Matthew Little	5	4
Katrina Spies	8	6
John Perry	8	8
Nicole Brouwers	3	2
Michael Wasley	8	8
Janelle Whitehead	8	5
Geoff Manton	8	7
Dave Higgon	3	3

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2015 has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:



Director:



Dated: 30/09/2015



# Auditors Independence Declaration



chartered accountants

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

## National Employment Services Association Limited and Controlled Entity

ABN: 69 079 065 428

### Auditors Independence Declaration To the Directors of National Employment Services Association Limited and Controlled Entity

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

*Saward Dawson*

Saward Dawson Chartered Accountants

*Peter Shields*

Peter Shields

Blackburn, Victoria

Date: 30 Septemeber 2015



20 Albert Street / PO Box 256  
Blackburn Victoria 3130  
T: 03 9894 2500 F: 03 9894 1622  
[contact@sawarddawson.com.au](mailto:contact@sawarddawson.com.au)

PRINCIPALS: Bruce Saward FCA Joshua Morse CA  
Peter Shields CA Tim Flowers CA ASSOCIATE: Cathy Braun CA  
CONSULTANT: Cliff Dawson FCA

Liability limited by a scheme approved under  
Professional Standards Legislation



Member of Russell  
Bedford International

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	Note	Consolidated 2015 \$	2014 \$
Revenue	3	7,508,885	9,760,626
Employee benefits expense		(2,545,459)	(2,168,087)
Depreciation, amortisation and impairments	4	(3,540)	(44,535)
Direct event expense		(501,477)	(638,587)
Rental expense		(197,709)	(194,175)
Travel expense		(265,555)	(205,133)
Consultancy expense		(162,816)	(113,489)
IT expense		(102,565)	(124,176)
Project expense		(3,610,981)	(5,682,244)
Other expense		(271,342)	(437,242)
<b>Surplus (deficit) before income tax</b>		<b>(152,559)</b>	<b>152,958</b>
Income tax expense	10	-	-
<b>Surplus (deficit) for the year</b>		<b>(152,559)</b>	<b>152,958</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(152,559)</b>	<b>152,958</b>

# Consolidated Statement of Financial Position

As at 30 June 2015

	Note	Consolidated 2015 \$	2014 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	3,185,460	7,155,942
Trade and other receivables	6	314,900	213,176
Other financial assets	7	114,817	521,678
Other assets	8	77,650	176,280
TOTAL CURRENT ASSETS		3,692,827	8,067,076
NON-CURRENT ASSETS			
Property, plant and equipment	9	13,418	16,958
TOTAL NON-CURRENT ASSETS		13,418	16,958
TOTAL ASSETS		3,706,245	8,084,034
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	11	649,625	930,204
Short-term provisions	12	264,533	209,143
Other financial liabilities	13	2,031,818	6,034,969
TOTAL CURRENT LIABILITIES		2,945,976	7,174,316
NON-CURRENT LIABILITIES			
Long-term provisions	12	6,386	3,276
TOTAL NON-CURRENT LIABILITIES		6,386	3,276
TOTAL LIABILITIES		2,952,362	7,177,592
NET ASSETS		753,883	906,442
<b>EQUITY</b>			
Retained earnings		753,883	906,442
TOTAL EQUITY		753,883	906,442



# Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2015

## 2015

	Consolidated Retained Earnings \$	Total \$
Balance at 1 July 2014	906,442	906,442
Deficit for the year	(152,559)	(152,559)
Balance at 30 June 2015	753,883	753,883

## 2014

	Consolidated Retained Earnings \$	Total \$
Balance at 1 July 2013	753,484	753,484
Surplus for the year	152,958	152,958
Balance at 30 June 2014	906,442	906,442

# Consolidated Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	Consolidated 2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from members & government bodies		4,404,010	16,896,662
Payments to suppliers and employees		(8,898,700)	(10,380,635)
Interest received		117,347	210,045
<b>Net cash provided by (used in) operating activities</b>	14	<b>(4,377,343)</b>	<b>6,726,072</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Redemption/(Placement) of term deposits		406,861	(191,860)
Acquisition of plant and equipment		-	(14,026)
Proceeds from disposal of investment		-	-
<b>Net cash used by investing activities</b>		<b>406,861</b>	<b>(205,886)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net increase (decrease) in cash and cash equivalents held		(3,970,482)	6,520,186
Cash and cash equivalents at beginning of year		7,155,942	635,756
<b>Cash and cash equivalents at end of financial year</b>	5	<b>3,185,460</b>	<b>7,155,942</b>

# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### 1. Summary of Significant Accounting Policies

#### Basis of Preparation

The financial report includes the consolidated financial statement and notes of the National Employment Services Association Limited and Controlled Entity (the Group). These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*. The Group is a not-for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### (a) Principles of Consolidation

The Group financial statements consolidate those of the parent group and its subsidiary as of 30 June 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The subsidiary has a reporting date of 30 June. A list of controlled entities is contained in Note 17 of the financial statements.

The assets, liabilities and results of the subsidiary is fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. InterGroup transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

#### (b) Comparative Amounts

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

#### (c) Income Tax

The charge for current income tax expenses is based on the surplus for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for using the liability method in respect of the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

NESA Solutions Ltd, a wholly owned subsidiary of National Employment Services Association Limited is registered with the Australian Charities and Not-for-profit Commission. No provision for income tax has been raised for NESA Solutions Ltd as the Group is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Because of principle of mutuality, only income arising from non-member activities is subject to income tax. The parent is able to identify all non-member income.

#### (d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the assets are transferred (title may or may not eventually be transferred) to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.



# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### (d) Leases continued.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

### (e) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue from the rendering of services is recognised upon delivery of the service to customers and members.

Member subscription year is 1 July to 30 June. Subscriptions are payable in advance. Only those subscriptions that are attributable to the current financial year are recognised as revenue. Subscription receipts relating to periods beyond the current financial year are shown in the Statement of Financial Position as Other Liabilities.

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

### (f) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### (g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment loss.

#### Plant and equipment

Plant and equipment are measured using the cost model and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to impairment note for details).

#### Depreciation

The depreciable amount of all plant and equipment is depreciated on a straight-line method over the asset's useful life from the date that management determine that the asset is available for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	25% - 50%
Computer Software	25%
Low Value Asset Pool	33% - 50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### **(h) Intangible Assets**

#### **Software**

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and four years. It is assessed annually for impairment.

### **(i) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and term deposits, together with other short-term highly liquid investments that are readily convertible into known amounts of cash, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

### **(j) Employee benefits**

#### **Short-term employee benefits**

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Provision is made for short-term employee benefits and are measured at the amounts expected to be paid when the liabilities are settled.

#### **Other long-term employee benefits**

The Group's liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

### **(k) Financial instruments**

#### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

#### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### **Classification and subsequent measurement**

##### ***(i) Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### ***(ii) Held to maturity investments***

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### ***(iii) Financial liabilities***

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

#### **Impairment**

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets are impaired. A financial asset or a group of financial assets are deemed to be impaired if, and only if, there are objective evidence that impairment as a result of one or more events (a "loss event") have occurred, which have an impact on the estimated future cash flows of the financial asset(s).

# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### *(iii) Financial liabilities. Impairment continued.*

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered. Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### **(l) Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

#### **Key judgments**

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### *Operating lease commitments - Group as lessee*

The entity has entered into commercial property leases for the use of corporate offices in Australia. The entity has determined the lessor retains all the significant risks and rewards of ownership of these properties and has thus classified these leases as operating leases.

#### **Key estimates**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

#### *Income Tax calculation based on principle of mutuality*

The entity determines its liability from income tax based on the principle of mutuality. The entity also accounts for income tax using balance sheet method of tax-effect accounting. The principle of mutuality requires that the entity make estimates as to the allocation of expenses among three broad categories of the income generated being, income from members, income from mixed sources and interest income.



# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### 2. Parent entity information

	2015 \$	2014 \$
<b>Statement of Financial Position</b>		
Assets		
Current assets	1,268,319	1,706,172
Non-current assets	13,418	16,958
Total Assets	1,281,737	1,723,130
Liabilities		
Current liabilities	(525,892)	815,142
Non-current liabilities	(2,849)	(1,923)
Total Liabilities	(528,741)	813,219
Equity		
Retained earnings	752,996	906,065
Total Equity	752,996	906,065
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Net surplus (deficit) for the year	(153,069)	152,580
<b>Total comprehensive income</b>	<b>(153,069)</b>	<b>152,580</b>

#### Guarantees

The parent entity has not entered into any other guarantee, in the current or previous financial years, in relation to the debts of its subsidiaries.

#### Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2015 or 30 June 2014.

#### Capital commitments

The parent entity did not have any capital commitments as at 30 June 2015 or 30 June 2014.

# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### 3. Revenue

	Consolidated	
	2015 \$	2014 \$
Interest revenue	117,347	210,045
Government grant and project income	5,943,999	8,180,100
Member subscriptions	515,755	537,639
Conference income	550,027	563,641
Professional development and forum income	155,105	231,321
Other income	226,652	37,880
	<b>7,508,885</b>	<b>9,760,626</b>

### 4. Result for the Year

#### Expenses from Ordinary Activities

Amortisation of computer software	-	42,144
Depreciation of office equipment	3,540	2,391
	<b>3,540</b>	<b>44,535</b>
Rental expense on operating leases		
Rental expense	197,709	194,175
Motor Vehicle	-	9,805
	<b>197,709</b>	<b>203,980</b>

# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### 5. Cash and cash equivalents

	Consolidated	
	2015 \$	2014 \$
Cash on hand	800	600
Cash at bank	3,184,660	7,155,342
	<b>3,185,460</b>	<b>7,155,942</b>

### 6. Trade and other receivables

CURRENT		
Trade receivables	249,625	111,539
Other receivable	65,275	101,637
	<b>314,900</b>	<b>213,176</b>

### 7. Other financial assets

CURRENT		
Held-to-maturity financial assets	(a) 114,817	521,678

(a) Held-to-maturity investments comprise of term deposit placed with Bendigo Bank.

### 8. Other assets

CURRENT		
Prepayments	68,667	167,297
Security deposit	8,983	8,983
	<b>77,650</b>	<b>176,280</b>



# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### 9. Property, plant and equipment

#### PLANT AND EQUIPMENT

	Consolidated 2015 \$	2014 \$
<b>Office equipment</b>		
At cost	80,137	80,137
Accumulated depreciation	(66,719)	(63,179)
Total office equipment	13,418	16,958
Total property, plant and equipment	13,418	16,958

#### Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

#### Consolidated - 30 June 2015

	Office Equipment \$	Total \$
Balance at the beginning of year	16,958	16,958
Depreciation expense	(3,540)	(3,540)
<b>Balance at the end of the year</b>	<b>13,418</b>	<b>13,418</b>

### 10. Income tax expense

The prima facie tax on result from ordinary activities before income tax is reconciled to the income tax as follows:

	Consolidated 2015 \$	2014 \$
Prima facie tax payable/(benefit) on surplus from ordinary activities before income tax at 30% (2014:30%)	(45,768)	45,887
Increase/(decrease) in income tax expense due to:		
• Amount excluded under Principle of Mutuality	58,185	(3,255)
• Deferred tax assets not brought to account	(12,264)	(42,519)
• Tax exempted under Div 50.	(153)	(113)
<b>Income tax attributed to entity</b>	<b>-</b>	<b>-</b>

The Group has carried forward tax losses that have not been recognised as a deferred tax assets

# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### 11. Trade and other payables

	Consolidated	
	2015	2014
	\$	\$
CURRENT		
Trade payables	384,962	317,407
Sundry payables and accrued expenses	107,647	165,232
Amount owing to ATO	157,016	447,565
	<b>649,625</b>	<b>930,204</b>

#### (a) Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:		
Trade and other payables	649,625	930,204
Less:		
GST Payable	(157,016)	(447,565)
Financial liabilities as trade and other payables	<b>492,609</b>	<b>482,639</b>

### 12. Provisions

#### Consolidated

	Employment entitlements	Total
	\$	\$
<b>Current</b>		
Opening balance at 1 July 2014	212,419	212,419
Additional provisions	198,734	198,734
Provisions used	(140,234)	(140,234)
<b>Balance at 30 June 2015</b>	<b>270,919</b>	<b>270,919</b>

# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### 12. Provisions Continued

#### Analysis of total provisions

	Consolidated 2015 \$	2014 \$
Current	(264,533)	(209,143)
Non-current	(6,386)	(3,276)
	<u>(270,919)</u>	<u>(212,419)</u>

#### Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

### 13. Other Financial Liabilities

#### CURRENT

Unearned income	1,980,000	5,835,273
Subscriptions in advance	51,818	199,696
<b>Total</b>	<u><u>2,031,818</u></u>	<u><u>6,034,969</u></u>

# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### 14. Cash Flow Information

Reconciliation of cash flow from operating activities with surplus for the year

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Net surplus (deficit) for the year	(152,559)	152,958
<b>Non-cash flows in surplus/(deficit)</b>		
Amortisation	-	42,144
Depreciation	3,540	2,391
Provision for Doubtful Debts	-	-
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	(101,724)	730,957
(Increase)/decrease in prepayments	98,630	(120,316)
Increase/(decrease) in trade payables and accruals	(280,579)	392,997
Increase/(decrease) in other current liabilities	(4,003,151)	5,497,777
Increase/(decrease) in provisions	58,500	27,164
	<b>(4,377,343)</b>	<b>6,726,072</b>

### 15. Capital and Leasing Commitments

#### Operating Lease Commitments

Payable - minimum lease payments

• not later than 12 months	125,616	176,086
• between 12 months and five years	163,920	168,125
• greater than five years	-	-
	<b>289,536</b>	<b>344,211</b>

The Group has operating leases on a photocopier, car spaces and office space. The office space and car park leases expire on 30 September 2016. The photocopier lease has been renewed and expires on 10 August 2017.

As at 30 June 2015, the parent Group has provided a guarantee of property lease rental of \$29,817 (2014: \$29,817).

### 16. Contingent liabilities

In the opinion of the Directors, the Group did not have any contingent liabilities at 30 June 2015 (30 June 2014: None).



# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### 17. Controlled entity

#### Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2015	Percentage Owned (%)* 2014
<b>Subsidiaries:</b>			
NESA Solutions Limited	Australia	100	100

NESA Solutions Limited is a Group limited by guarantee incorporated on 1 July 2013. National Employment Services Association Limited is the sole member of NESA Solutions Limited.

### 18. Related Parties

Transactions between related parties (including subsidiary, members of the organisation and organisation associated with board members) are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

#### Transactions with related parties:

##### (a) Management fee

The total management fee that National Employment Services Association Limited received from NESA Solutions Limited for managing the operation of the subsidiary is \$850,600 (PY: \$538,000).

##### (b) Membership fees

The following membership fee were received from organisations associated with the Group's board members. These members have paid the standard full membership fee and no discount has been given.

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Quality Innovation, Training and Employment	7,600	7,600
Murdi Paaki Regional Enterprise Corp Ltd	3,600	3,600
Sign for work	6,250	6,250
Matchworks	8,900	8,900
Boystown	7,600	7,600
The Interact Group	4,850	4,850
Job Futures / Coact	11,000	11,000

### 19. Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Group and the company is \$ 621,506 (2014: \$ 549,932).

# Notes to the Consolidated Financial Statements

## For the Year Ended 30 June 2015

### 20. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank overdrafts and loans to and from subsidiary. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated	
		2015	2014
		\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents		3,185,460	7,155,942
Trade and other receivables	6	314,900	213,176
Held-to-maturity investments	7	114,817	521,678
<b>Total financial assets</b>		<b>3,615,177</b>	<b>7,890,796</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
• Trade and other payables	11(a)	492,609	482,639
<b>Total financial liabilities</b>		<b>492,609</b>	<b>482,639</b>

### 21. 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 a maximum of \$50 each towards meeting any outstandings and obligations of the company. At 30 June 2015 the number of members was 82 (2014: 103).

### 22. Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

### 23. Company Details

The registered office of and principal place of business of the company is:  
National Employment Services Association Limited  
Level 8, 20 - 22 Albert Road  
South Melbourne,  
VIC 3205.

# Directors' Declaration

The directors of the company declare that:

1. The consolidated financial statements and notes of the National Employment Services Association Limited and Controlled Entity, as set out on pages 8 to 26, are in accordance with the *Corporations Act 2001* and:
  - a. Comply with Accounting Standards - Reduced Disclosure Requirements, including the *Corporations Regulations 2001*; and
  - b. Give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:



Director:



Dated: 30/09/2015

# Independent Audit Report to the members of National Employment Services Association Limited and Controlled Entity



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## National Employment Services Association Limited and Controlled Entity

ABN: 69 079 065 428

### Independent Audit Report to the members of National Employment Services Association Limited and Controlled Entity

#### Report on the Financial Report

We have audited the accompanying financial report of National Employment Services Association Limited and Controlled Entity, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group.

#### Directors' Responsibility for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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CONSULTANT: Cliff Dawson FCA

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# Independent Audit Report to the members of National Employment Services Association Limited and Controlled Entity



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## National Employment Services Association Limited and Controlled Entity

ABN: 69 079 065 428

### Independent Audit Report to the members of National Employment Services Association Limited and Controlled Entity

#### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of National Employment Services Association Limited and Controlled Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

#### Opinion

In our opinion the financial report of National Employment Services Association Limited and Controlled Entity is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's and the consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

*Saward Dawson*

Saward Dawson Chartered Accountants

*Peter Shields*

Peter Shields

Blackburn

Date: 30 September 2015



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## **National Employment Services Association Ltd**

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National Employment Services Association Limited:  
2014 – 2015 Annual Report

We wish to thank the Australian Department of Employment