

Annual Report 2018/19



COMMUNITY EMPLOYERS WA





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Overview of Community Employers WA

CEWA's objectives are:

- to create the capacity to allow organisations to improve salaries for staff so that they are fair and just;
- to secure a 30% increase in government funding to non-government, not-for-profit community service organisations in Western Australia;
- to ensure vital community services remain viable; and
- to improve the relationship with Government.

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CEWA's operations are solely funded by its member organisations, which demonstrates both the commitment of these organisations and the importance they place on achieving CEWA's objectives. CEWA is registered as an Employer Organisation by the Industrial Relations Commission of Western Australia, under the provisions of the Industrial Relations Act 1979.

Community Employers WA seeks to collaborate and cooperate with existing peak and other representative bodies which have aims and objectives similar to CEWA. It is not a peak body. CEWA represents over 146 not for profit community service organisations across WA.

Board Members

President Appointed 29/11/2018
Appointed to the Board 29/02/2018
Neil Guard

Secretary Appointed 29/11/2018
Appointed to the Board 20/03/2017
Amanda Hunt, UnitingCare West

Board Member Appointed 29/11/2018
Justine Colyer, Rise

Board Member Appointed 29/11/2018
Carol Daws, Cyrenian House

Board Member Appointed 29/11/2018
Mick Geaney, Hope

Board Member Appointed 29/11/2018
Dan Minchin, Chorus

Board Member Appointed 29/11/2018
Susan Rooney, St Vincent de Paul WA

Board Member Appointed 15/06/2015
Gordon Trewern, Nulsen

Board Member Resigned 27/02/2019
Sheila McHale, Palmerston

Co-opted Member Appointed 14/12/2016
Louise Giolitto, WACOSS

Co-opted Member Appointed 01/05/2019
Rob Holmes, Enable WA

Meetings

The following Meetings were held,
in accordance with the Rules of CEWA,
Sections 10.1 and 14.2:

Annual General Meeting:
29 November 2018

Board Meetings:

16 August 2018

25 October 2018

13 December 2018

27 February 2019

01 May 2019

20 June 2019

Chairpersons' report

It is sometimes a challenge to know what to say in reports such as this, and particularly the case in my inaugural report as the Chair of Community Employers WA. Having worked in both government and the NFP sector over more than 20 years, I've come to increasingly appreciate the work of, and challenges faced by many employers in the Community Services sector. The importance of the work of the NFP sector, whilst well known to those within it, can sometimes go unrecognised or understated. Despite being one of the largest employer industries in the economy, it is often said that we 'punch well below our weight' in terms of having a powerful voice at the table, be it with government, the corporate sector or the community.

Yet when it comes to supporting the vulnerable and marginalised, or people in need in a wide range of areas, many expect the Community Services sector to be there, to support and counsel, to pick up the pieces and provide a hand up. Many organisations across our communities have done that for a long time, without much fanfare or kudos, just going about their work, whether it be in homelessness, out of home care, domestic violence, family support, relationship and financial counselling, mental health, alcohol and other drugs, disability, aged care or a wide range of other services. The sector often does what government and the private sector finds more difficult – building strong levels of

trust, walking with people as they seek to live a good life, drawing on the goodwill of volunteers, donors and other supporters, and building a sense of community.

Unfortunately for many NFPs, this is becoming more and more challenging. The marketisation of services can overly focus on price, efficiency and effectiveness, rather than on forming lasting relationships and working together with people who need support. Managing risk, gathering data and evidence, working through compliance and extensive reporting, are more common in discussions these days. Whilst we can't argue that they are important, many believe the balance has gone too far.

As an advocacy body, CEWA plays an important role in representing employers in the NFP community services sector across Western Australia. Our key focuses of fair and just wages for workers in the sector, the sustainability of services and improving relationships with government, continue to be as relevant today as when we were formed. The breadth and complexity of the sector and services provided, warrants a collective voice, independent of government funding, and one who can articulate many of the concerns felt by providers.

The key issue for employers in the sector at present is the sustainability of services. Many are facing unprecedented challenges in meeting legislated increases in salaries due to the Equal

Remuneration Order (ERO), and when coupled with National Wage case reviews, far exceed indexation from government. For many, the tipping point was in late 2016, and since then the sector has been trying to stay viable through restructures, downsizing, cutting costs and other survival mechanisms. Whilst the ERO was fully funded by the Commonwealth Government for 9 years when it started in 2012, and was also funded by a number of State governments, the WA State government has been very slow in recognising the underfunded nature of services and the increasing issues of sustainability. It is imperative that this change and we remain focused in our advocacy in this area.

Our representations with the State government have been consistent for some time, and whilst there has been some recent acknowledgment, for example a small response for homelessness services, there is much more to be done to sustainably support the sector. Additionally, providers are acutely aware of the unmet need – whether it be in areas such as waiting lists for housing, in seeing a financial counsellor on a timely basis or simply in finding somewhere to sleep other than the streets.

CEWA has again been well supported over the last 12 months, and we are grateful to members for their ongoing financial contributions. We had 4 new members join and now have 146 employer members, with another 3 joining since year end. We regularly hear that membership of CEWA is good value and whilst appreciative of that, we never take it for granted. CEWA continues to be well supported by two

members in particular. To UnitingCare West, who provide an office and access to their IT platform, and to Wanslea, who provide accounting services, we say a special thank you.

Earlier this year, Sheila McHale stepped off the board, following her transition from Palmerston Association. We thank Sheila for her sage advice on a wide range of issues and wish her well. Rob Holmes from Enable WA joined the Board and it is great to have a regional representative in our midst. I would like to express my sincere thanks to all board members for their time and expertise. One of the strengths of CEWA is that it is member led, very grounded and focused, and the board consistently seeks to ensure we remain true to our original objectives.

To our Executive Director, we again extend our thanks for the work you do. We know John has a deep commitment to the work of CEWA and to the NFP sector more broadly, and we are appreciative of his dedication and leadership.

And lastly, to our members, we thank you for your encouragement, for your attendance at our various events and most importantly for the work you do in building and shaping a stronger and more just civil society.



Neil Guard
President

Executive Director's report

Whilst it is pleasing at one level to be able to report tangible progress in CEWA's advocacy and representative work over the past 12 months, it is increasingly apparent, that for many NFP Community Service organisations, the challenges in maintaining or growing services, retaining staff and balancing budgets and responding to increasing need, are becoming significantly more complex.

The current environment has been characterised by some as one where the unyielding focus on reducing debt at a State level, or the 'jobs and growth' mantra at a Federal level, are increasingly at odds with what many in across the State believe are critical unmet community needs. Whether it be homelessness, mental health, domestic violence support, disability services or financial counselling, to mention only a few, all community services are under pressure. Demand for services continues to increase, the risk and compliance burden is a greater challenge, and there are higher expectations and stress levels for many staff. Stalwarts in the sector note that the level of uncertainty is higher than it has been for over 30 years.

But back to the progress made. After considerable advocacy by CEWA, WACOSS, Shelter WA and the sector, we were pleased that the State Government made public during the year, the third

study into the impact of the Equal Remuneration Order on the sustainability of services. This external report commissioned by the Department of Communities, clearly evidenced a shortfall in the funding provided to homelessness services, who have had 8 extensions of their funding, with no meaningful opportunity to re-price or renegotiate service levels. The study was ultimately the catalyst for the WA State government to provide an additional \$1.9M of supplementary funding for the next 12 months. We have and continue to highlight that the financial shortfall for services goes well beyond 24/7 homelessness services, but this was a good start.

The second key positive announcement for service providers during the year, was the change to indexation policy. Again there was considerable and lengthy advocacy by CEWA and other parties across the sector on the inappropriateness of the policy. The State government announced in June that the policy for calculating the annual indexation of funded contracts, would be reversed from a 100% consumer price index (CPI) basis, to an 80/20 Wage Price Index / CPI methodology. This reversal of the 2015 policy will over time more closely align the increasing costs of service delivery (which are primarily salaries), with the funding received from government. Whilst the impact in the short term is relatively modest, the government did estimate that

over the forward forecasts, there would be a \$30 million increase in funding to the sector.

More broadly, CEWA has been active in our advocacy on a range of employer issues including key tenders such as Thrive and Out of Home Care, and the extension of homelessness funding. We remain focused on the importance of the government adopting appropriate processes and timeframes for tenders, and on encouraging all departments to comply with the Delivering Community Services in Partnership Policy. Our membership of the Procurement Reform Working Group, together with a number of CEWA directors and members being on the Supporting Communities Forum, provides key opportunities to contribute to strengthening the relationship with government, and the practices adopted. Additionally, CEWA is an active member of the State Training Board's Social Assistance and Allied Health Workforce Steering Committee, which focuses on building the capabilities and potential staff numbers for the sector, and particularly the Aged Care and Disability sectors. At a Federal level, we continue to advocate on the concerns of many members with the approaching end to supplementary payments linked to the ERO. It is critical that the Federal Government addresses this as a priority, particularly with some contracts being renewed now for 5 years and thus transgressing the conclusion of those payments. Service providers cannot and shouldn't be expected to cover funding reductions, and service levels need to be

maintained for people in need.

Throughout the year, we have hosted a range of member forums with a cross section of senior leaders, including the Director General from the Department of Communities and the Governor of the Reserve Bank of Australia. Prior to the March 2019 Federal election, we organised events for CEWA members to meet with the Federal Minister and Shadow Minister for Families and Social Services. We also attended a wide range of sector forums and meetings with government representatives, members and other stakeholders. We continue to maintain strong working relationships with a number of peak bodies, and get great feedback from members on the high quality of our NFP employer focused member updates.

As we move towards another State electoral cycle, it will be important that CEWA continues to work with politicians, departmental leaders and the sector, to articulate the need for all parties to focus on addressing the issues around the sustainability of services. Without a vibrant and healthy social services ecosystem, in addition to the negative impact on workers in the sector, the level of unmet need and broader community angst are likely to rise even further. Our ongoing advocacy will focus on addressing these key aspects through an employer lens, and on the effective implementation of the principles of the DCSP Policy, including proper co-design practices.

Our thanks to a range of supporters of CEWA, including UnitingCare West who auspice us, Wanslea, who look after our finances and Palmerston, who host our Board meetings. Thanks to our members, who have again financially supported our work. This year has seen the transition to a new Chair of CEWA and a number of new directors. Members are extremely fortunate to have a dedicated and highly experienced board to oversee and support the work of CEWA, and personally I am very appreciative of their contributions. We look forward to another busy year of representing employers in the sector and focusing on our key objectives.

011



John Bouffler
Executive Director



Financial Statement and Auditor's Report

Statement of Receipts and Payments for 12 months ending 30 June 2019

	This Reporting Period Ended: 30/06/19	Same Period Last Year Ended: 30/06/18
	\$	\$
Opening Balance	129,983	83,651
Receipts		
Contributions	109,894	141,800
Membership fees	40	110
	-	-
Total Receipts	109,934	141,910
Payments		
Salaries and related costs	109,000	92,830
Other expenses	2,118	2,748
Total Payments	111,118	95,578
Closing Balance	128,799	129,983

I hereby certify, to the best of my knowledge, information and belief, the information provided above is a true and fair reflection of the organisation's service activity during this period.

Signature:



Name:

Amanda Hunt

Position:

Secretary

Date:

24/10/19



Statement by the Board

The Board has determined that Community Employers WA (“CEWA”) is not a reporting entity and that this special purpose financial statement should be prepared in accordance with the accounting policies described in Note 1 to the financial statement.

In the opinion of the Board:

The Financial Statements on pages 5 to 6 of the Audited Accounts present fairly, in all material respects, the financial position of CEWA as at 30 June 2019 and the receipts and payments of CEWA for the year ended on that date.

013

At the date of this statement there are reasonable grounds to believe that CEWA will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



Board member: Amanda Hunt

Date: 24/10/19





Secretary Statutory Declaration

Regulation 79(2) of the Industrial Relations Commission
Regulations 2005

I, Amanda Hunt, being the General Secretary of Community Employers WA of 456 Hay Street, Perth, sincerely declare as follows:

(a) All relevant books and documents in relation to the financial affairs of Community Employers WA that were required to be provided, were provided.

This declaration is true and I know that it is an offence to make a declaration knowing that it is false in a material particular.

This declaration is made under the Oaths, Affidavits and Statutory Declarations Act 2005.

Declared at Perth.

Date: 24/10/19

A handwritten signature in blue ink, appearing to read "Amanda", is written over a faint dotted line.

Amanda Hunt

In the presence of:

A handwritten signature in black ink, appearing to read "Diane Piper", is written over a solid horizontal line.

Signature of authorised witness

Diane Piper, Registered Nurse

Name of authorised witness and qualification as such witness

Independent Auditor's Report

To the members of Community Employers WA

Report on the Audit of the Financial Statement

Opinion

We have audited the statement of receipts and payments (the 'Financial Statement') of Community Employers WA ("CEWA") for the year ended 30 June 2019 and notes to the financial statements, including a summary of significant accounting policies and the statement by the Board.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the cash receipts and payments of Community Employers WA ("CEWA") for the year ended 30 June 2019, in accordance with the cash basis of the accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of CEWA in accordance with the ethical requirements of the Accounting Professional and Ethical

Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the Financial Statement in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the Financial Statement, which describes the basis of accounting. The Financial Statement is prepared to assist CEWA to meet the financial reporting requirements of the rules and the Industrial Relations Act 1979 (WA). As a result, the Financial Statement may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

015

DRY / KIRKNESS

Responsibilities of the Board for the Financial Statement

The Board of CEWA is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances, and for such internal control as the Board determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, the Board is responsible for assessing CEWA's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intend to liquidate CEWA or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the Financial

Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

DRY / **KIRKNESS**

provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

■ Obtain an understanding of internal control relevant to the audit 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 CEWA's internal control.

■ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by the Board.

■ Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CEWA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statement or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CEWA to cease to continue as a going concern.

■ Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

017

DRY / KIRKNESS

Report on Compliance with Section 74 of the Industrial Relations Act 1979 (WA)

Opinion

We have audited the compliance of the finance officials with the requirements of section 74 of the Industrial Relations Act 1979 (WA).

In our opinion, the finance officials of Community Employers WA have complied with section 74 of the Industrial Relations Act 1979 (WA).

Responsibilities

The Board and management of Community Employers WA are responsible for compliance with the requirements of section 74 of the Industrial Relations Act 1979 (WA). Our responsibility is to express an opinion on the compliance of the finance officials with the requirements of section 74 of the Industrial Relations Act 1979 (WA), based on our audit conducted in accordance with Australian Auditing Standards

Date: 24th October 2019

West Perth

Western Australia



DRY KIRKNESS



B ROTHMAN

Partner

DRY / KIRKNESS

Notes to the Financial Statement

For the year ended 30 June 2019

ABN 65 631 915 277

1 (a) Summary of Significant Accounting Policies

This financial statement is a special purpose financial statement that has been prepared in order to satisfy the reporting requirements of the Board to its members. The Board has determined that the entity is not a reporting entity.

The financial statement covers Community Employers WA as an individual entity, CEWA is a body corporate registered as an organisation of employers under the Industrial Relation Act 1979 (WA).

The financial statement has been prepared on a cash basis of accounting, whereby receipts are recorded when received, payments are recorded when paid, and no assets or liabilities other than cash and bank balances held by Wanslea Limited on behalf of CEWA are recorded. Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board are not applicable to the cash basis of accounting and therefore have not been applied.

(b) Comparative figures

Comparatives are consistent with prior years, unless otherwise stated.

(c) Income Tax

The principle of mutuality applies to the entity in that income received from members is not assessable and expenditure relating to such income is not deductible. Only non-member income is assessable to income tax. As there is no non-member income, no provision for income tax is required.

(d) Revenue and Other Income

Member Contributions

Member contributions are recognised when received.

Member Subscriptions

Member subscriptions are recognised when received.

Members as at 30 June 2018

Aboriginal Legal Services of WA Inc
Accessibility WA
Accordwest
Activ Foundation Inc
Advocacy South West Inc
Advocare
Albany Youth Support Association
Alzheimer's Australia WA
Anglicare WA Inc
Armadale Community Family Centre
Association for Services to Torture & Trauma Survivors (ASeTTS)
Asthma Foundation WA Inc
Australian Red Cross WA
Autism Association of Western Australia
Avivo
Baptistcare
Black Swan Health Ltd
Bladder and Bowel Health WA
Bluesky Community Group
Brightwater Care Group
Burdekin – Youth in Action
Cahoots Org
Calvary Youth Services Mandurah Inc
Cancer Council WA
Centacare Employment and Training
Centacare Family Services
Centrecare Inc
Child Inclusive Learning and Development Australia Inc (CHILD Australia)
Chorus
Coeliac Western Australia
Communicare
Community Legal Centres Association (WA)

Community Vision Inc
ConnectGroups
Consumer Credit Legal Service WA Inc
Consumers of Mental Health WA
Cyrenian House
Derbarl Yerrigan Health Services Inc
Desert Blue Connect
Diversity South
Employment Law Centre of WA
Enable WA
Escare Inc
Ethnic Communities Council of WA
Ethnic Disability Advocacy Centre
Family Inclusion Network (WA)
Family Support WA Inc
Financial Counsellors Association of WA Inc
Foodbank WA
55 Central
Fremantle Multicultural Centre Inc
Fremantle Women's Health Centre
Goldfields Individual and Family support Association
Good Samaritan Industries
Gosnells Women's Health Service
Health Consumers Council (WA) Inc
Helping Minds
Holyoake The Australian Institute For Alcohol & Drug Addiction Resolutions
Hope Community Services
Identity WA
Independent Living Centre
Indigo Junction
Interchange WA
Ishar Multicultural Women's Health Centre Inc
Juniper
Key Assets WA Inc
Koolkuna (The Eastern Region Domestic Violence Services Network Inc)
LAMP Inc
Lifeline WA

Life Without Barriers
Linkwest
Margaret River Community Resource Centre
Meath Care Inc
Melville Cares Inc
MercyCare
Metropolitan Migrant Resource Centre
MIFWA
Mission Australia
Mosaic Community Care Inc
Multicultural Services Centre of Western Australia Inc
National Disability Services WA
Ngala Family Resource Centre
Nulsen
Outcare
Palmerston Association Inc
Parkerville Children Youth Care Inc
Pathways Southwest
Pat Thomas Memorial Community House Inc.
Patricia Giles Centre
Peel Volunteer Resource Centres
People with Disabilities (WA)
Perth Inner City Youth Service
Pivot Support Services
Relationships Australia (Western Australia) Inc
Richmond Wellbeing
Rise Network
Rocky Bay Inc
Ruah Community Services
Scales Community Legal Centre
SECCA
Sexual Health Quarters
Shelter WA
Silver Chain
SMP Personnel
South Coastal Health and Community Services
Southwest Community Legal Centre
South West Refuge Inc
Southcare Inc
Southern Cross Care (WA) Inc
Southside Care
Starick Support Services
St Bartholomew's House
St John of God Outreach Services
St Patrick's Community Support Centre
St Vincent de Paul Society
Sudbury Community House Association
Swan City Youth Service
Synapse
Technology Assisting Disability WA
Tenancy WA
The Gowrie (WA) Inc
The Salvation Army
The Spiers Centre Inc
The WA Aids Council
Therapy Focus Inc
360 Health & Community
Uniting Aid
UnitingCare West
Uniting Church in the City
Victoria Park Youth Accommodation
Visability
Volunteer Southwest
Volunteering WA
WA Blue Sky Inc
WANADA
Wanslea Family Services Inc
Westcare Inc
Western Australian Association for Mental Health
Western Australian Council of Social Service
Women's Council for DFV Services (WA)
Women's Health and Family Services
Yaandina Family Centre
YACWA
YMCA Perth
Youth Focus
Youth Futures WA

Contact Details

John Bouffler
Executive Director

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