

# Human Enterprises Consulting Pty Ltd

trading as H4 Consulting

2022-23 Annual Statement

# about H4 Consulting

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## our vision

H4 Consulting creates public value by providing specialist public sector consulting services to Governments and their delivery partners.

## our mission

At H4 Consulting we:

- collaborate with you to increase public value
- facilitate innovative strategies to improve publicly funded services
- design creative, sustainable management solutions
- help public service providers and purchasers to plan and implement change
- deliver momentum, not just reports.

## our values

### imagination

- cultivate and apply a restless, value-creating imagination
- stimulate learning by reading widely and thinking deeply
- find and solve tomorrow's problems.

### integrity

- consider people equally without prejudice or favour
- act professionally with honesty, consistency, and impartiality
- take responsibility for situations, showing leadership and courage
- place the public interest over personal interest.

### trust

- appreciate difference and welcome learning from others
- build relationships based on mutual respect
- uphold the law, institutions of government and democratic principles
- communicate intentions clearly and invite teamwork and collaboration
- provide apolitical and non-partisan advice.

## service

- provide services fairly with a focus on customer needs
- be flexible, innovative, and reliable in service delivery
- engage with the not-for-profit and business sectors to develop and implement service solutions
- focus on quality while maximising service delivery.

## accountability

- recruit and promote staff on merit
- take responsibility for decisions and actions
- provide transparency to enable scrutiny
- observe standards for safety
- be fiscally responsible and focus on efficient, effective, and prudent use of resources.

## our history

H4 Consulting was started in 2014, with a focus on program management and human and social services policy and strategy. We initially operated in NSW under the Performance and Management Services Scheme, and are also prequalified under the Australian Government's Management Advisory Services Panel. Over time, we have expanded our client list to include agencies in the South Australian, Victorian, and Queensland governments, and NGOs.

## our people

H4 Consulting is led by experienced former senior public service executives. People who work at H4 Consulting are committed to creating public value, and include a mix of former public servants and graduates who started their careers with H4 Consulting.

Trading conditions in 2022-23 were not strong enough to support significant expansion in employee numbers. We maintained the size of our team and continued to invest in the professional development of our people, building our capabilities for when conditions improve. We also hosted an intern from Michigan State University in late 2022, as part of a university program that awards course credit for relevant work experience.

# Directors' statement

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## strategic direction

We took advantage of quiet market conditions to strengthen our internal operations and invest in creating more products of enduring public value. We released online resources and tools, as well as instructional videos designed specifically for people working in the public and NGO sectors.

We also strengthened our cybersecurity protections and will soon certify our IG1 compliance with the [Center for Internet Security's Critical Security Controls](#).

We will be well prepared to provide high-value support to publicly funded organisations when the market recovers from recent shocks.

## major events and achievements

### major projects/clients

The NSW Health portfolio of agencies was again our largest source of revenue in 2022-23. Some notable projects in 2022-23 included:

- various engagements to review business performance, facilitate workshops, redesign services, and identify and refine business requirements for new ICT investments
- change management support, including a communications toolkit and consultation services, for state-wide introduction of a new policy supporting vulnerable clients
- several separate engagements to provide NSW and Victorian government agencies with project and program governance and management services, developing and implementing integrated approaches to planning, coordination, and monitoring portfolios of related projects
- organisational design and transformation support, including program management support, for a large faith-based NGO
- a policy and business performance review and strategic business case to assess integration options for two separate, but related, programs
- business performance reviews of various NSW government entities and programs
- enhanced tools for managing applications to an environmental credit market

- strategy development and planning, including workshop facilitation, for NGOs in the health and community service sectors
- governance and program management support for a NSW Government grants program to regional councils
- a review and process redesign to improve grants administration in a NSW Health entity.

### resources library

We continued to use the in-house film studio we installed in 2021-22 to create premium online training resources for sale via subscription, and to create custom videos on demand for clients. This service has been very well received. Subscription revenue in the first full year of operations was more than sufficient to cover the cost of installation and our library of online video resources continues to expand.

### cybersecurity uplift

We have partnered with a managed ICT support provider to manage our information and technology environment. This partnership combines 24/7 managed security, hosting and regular backups in Australia, and expert advice. This gives us, and our clients, confidence that client information is safe with H4 Consulting.

### strategic challenges

The revelations in March 2023 that PWC Australia sought to profit from misuse of confidential government information have profoundly damaged the consulting industry's reputation, particularly with publicly funded organisations. In many jurisdictions, directives to minimise the use of consultants have made it harder for clients to engage our services.

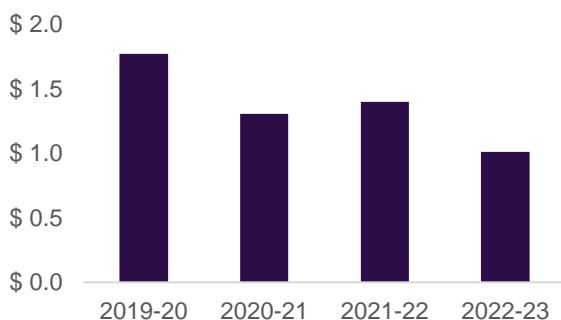
### looking ahead

We are focused on sustaining and building our capacity to respond when demand for consulting services stabilises. Our clients understand that H4 Consulting is not like other consultants, and that we work only with clients who share our goal of creating public value. We build the capacity, capability, and self-sufficiency of our clients by transferring knowledge through our consulting services and online resources library.

## 2022-23 trading conditions

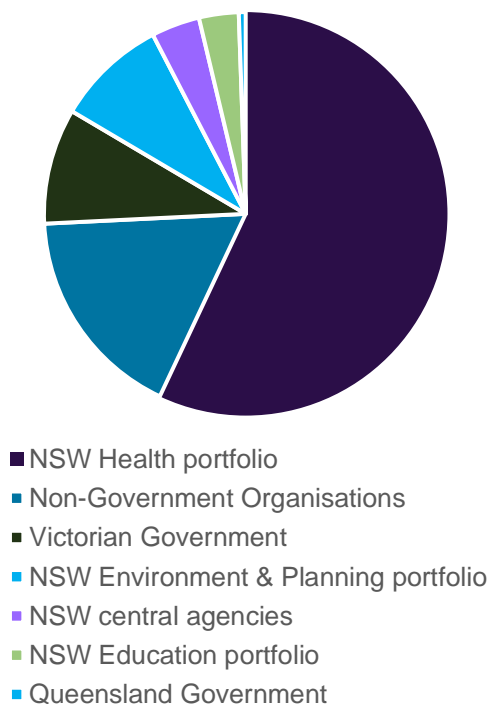
### revenue

As usual in an election year, January to March was quiet for work with NSW government clients. Unfortunately, the damage to the reputation of the consulting industry following the PWC scandal in March dampened the typical post-election spike of demand in NSW.



### client profile

The NSW Health portfolio of agencies were again our largest source of revenue in 2022-23. The NGO sector became a more important client group for us this year, with two new human services NGOs joining our client list. We also continued to work with government clients in Victoria and Queensland, and a mix of clients across NSW government agencies.



### expenses

	2020-21 (\$'000)	2021-22 (\$'000)	2022-23 (\$'000)
employee related	612	598	716
other operating	65	65	62
accommodation	280	72	52
landlord expenses	31	30	25
income tax	57	135	27
<b>total expenses</b>	<b>1,044</b>	<b>900</b>	<b>882</b>

### operations

#### profitable despite industry challenges

H4 Consulting made a strong start to the year and remains profitable despite challenging conditions for public sector consulting. We expanded relationships in the NGO sector and with governments outside of NSW, and continue to work exclusively with clients who share our passion for public value. That will never change.

#### change of government in NSW

Demand from government clients typically drops in the lead up to elections, then rebounds to deliver on clear policy directions. The change of government in NSW, and subsequent delay of the NSW Budget into 2023-24, meant directions emerged more slowly than in recent election years. This combined with new policy directives to reduce reliance on consultants to significantly dampen demand from NSW government agencies. We did fewer client projects overall, and more outside the NSW public sector.

#### ecommerce

Our online resources for publicly funded organisations continued to prove popular with clients. We publish free resources on our website, as well as paid premium content including eBooks, training videos, and multi-part video courses. We also create bespoke video content on demand, for the exclusive use of client organisations.

#### rental income

Rental income remained consistent. Our tenants are steadily repaying the amounts we advanced to them during Sydney's COVID lockdowns.