

Human Enterprises Consulting Pty Ltd

trading as H4 Consulting

2020-21 Annual Statement

about H4 Consulting

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 human and social services policy and strategy. We initially operated in NSW under the Performance and Management Services Scheme, and gradually expanded our client list to encompass the governments of Queensland, Victoria, South Australia, and Australia.

our people

The ongoing measures to control the spread of COVID-19 continued to delay our expansion plans throughout 2020-21. Restrictions such as working from home and wearing masks when working from the office significantly disrupted our preferred processes for selecting candidates and onboarding new recruits.

As such, we ended 2020-21 with the same team that began the year. Softer trading conditions allowed us to invest more in the capability of our loyal team members, and to further refine our in-house knowledge management practices. We look forward to the return of more normal trading conditions so that we can resume recruitment and expand the business to our target size.

Directors' statement

strategic direction

The COVID pandemic created widespread disruption and uncertainty for our clients throughout 2020-21. This contributed to generally lower and more volatile demand for our services, as well as several in flight projects being delayed or postponed.

We took advantage of slower trading to focus on internal projects, such as establishing our new permanent office accommodation, developing new products and product categories that offer enduring public value, and improving our internal governance and financial management. We also refreshed our company mission.

We made it easier for our government clients to procure our services by expanding the range of categories, panels, and jurisdictions for which we are prequalified suppliers.

Our plan to expand the size of our team remains temporarily paused until trading conditions recover from the disruption of COVID-19.

major events and achievements

major projects/clients

Our biggest clients in 2020-21 were agencies within the NSW Health and Treasury clusters. Some notable projects in 2020-21 included:

- reviewing the implementation of a major state-wide health strategy, including the strategic and functional roles of various health entities
- providing program management training, coaching, and expert advice in several states, including for major financial and environmental sustainability initiatives
- creating a data and analytics roadmap to inform future planning and prioritisation for a NSW Government entity
- designing and supporting a governance and management framework for a program to support injured workers, including a performance escalation framework for the outsourced providers
- preparing business cases and procurement plans, including for a regional community service and a targeted research program.

office relocation

Following major renovations and fit-out during August and September, in October we moved into our new office at 50 Reservoir St, Surry Hills. This beautiful space has activity-based zones, AV-equipped meeting areas, end of trip facilities, proximity to public transport and cafes, and can host workshops of up to 20 people.

new products

At our annual in-house planning and professional development conference, H4Con, we identified an opportunity to create and sell information products as well as consulting services. To date, we have produced 2 e-books and recorded 6 training videos. We will continue to produce new content over the coming months and will offer these exciting new products for sale via our website in late 2021.

expanded prequalification

We applied to expand the range of categories, and jurisdictions, in which we are prequalified to supply consulting services to government agencies. We demonstrated our expertise and value for money in multiple domains and jurisdictions and are grateful to the clients who acted as referees for us in this process.

governance

We took advantage of quieter trading conditions in 2020-21 to improve internal governance and management. This included our Managing Directors qualifying as Graduates of the Australian Institute of Company Directors, and introducing a quarterly schedule of risk-based audits. Our first 2 audits focused on work health and safety and cyber security. We are grateful to SafeWork NSW for comprehensively inspecting our new Surry Hills office and to business.gov.au for cyber security resources and recommendations.

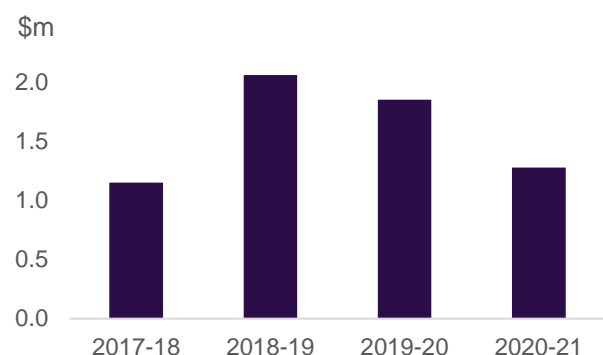
looking ahead

Uncertainty about the effects of COVID-19 on demand and operations continues into 2021-22. We will continue to invest in the capability of our current team until the return of normal trading conditions, when we can confidently resume our plans to expand the team.

2020-21 trading conditions

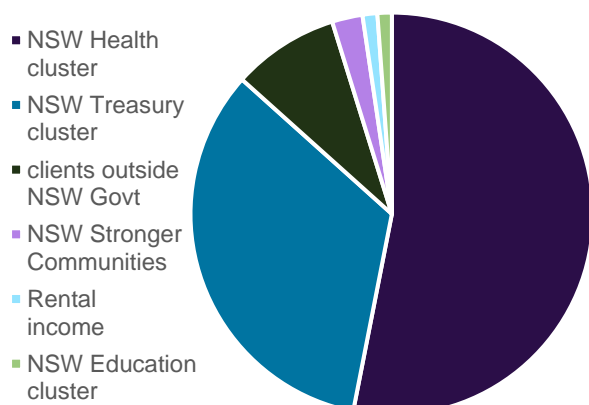
revenue

The disruption and uncertainty caused by COVID-19 affected our clients throughout the year, leading to a decline in revenue.



client profile

NSW Health cluster agencies were our largest source of revenue. NSW Treasury cluster agencies were also a significant client group.



expenses

	2018-19 (\$'000)	2019-20 (\$'000)	2020-21 (\$'000)
employee related	557	740	612
other operating	85	102	65
accommodation	150	148	280
landlord expenses	49	43	31
income tax	247	137	57
total expenses	1,087	1,170	1,044

operations

impact of COVID-19

While H4 Consulting qualified for the JobKeeper subsidy during the September quarter, revenue in the December quarter was down 29.9% on the previous year, just short of the 30% eligibility threshold for continued JobKeeper support. Fortunately, trading picked up considerably in the March quarter, approaching normal levels of demand, but the recent resurgence of COVID-19 led to many clients postponing planned and in-flight projects.

We continue to deliver consulting services primarily online to clients in NSW and interstate.

rental income

Our Elizabeth St tenants experienced an almost total collapse in revenue due to COVID-19. We provided rental relief, consistent with the Australian Government's policy guidelines, however they did not renew their tenancy at the conclusion of the lease. The property was vacant for several months until a new tenant was secured.

online presence

We continued to regularly publish online resources and blog posts on our website during 2020-21. We are now also publishing a monthly article on LinkedIn, drawing from our extensive library of public sector management resources. We are also working towards adding ecommerce capabilities to sell information products via our website from late 2021.

office accommodation

We made a significant investment in the fit-out of our new office in 2020-21, which will contribute to substantially lower ongoing accommodation expenses as owner-occupiers.

theft of company vehicle

Our company vehicle "Hforce1" was stolen shortly before Christmas. Although the vehicle was recovered, it was badly damaged and subsequently written off by the insurer. With significantly reduced demand for us to travel to client locations, we have decided not to replace Hforce1 at this time.