



OstaraAustralia
CREATING NEW BEGINNINGS



Annual Review 2008

19 company members delivering support to 4,900 clients across 44 sites around Australia.
All aligned to the goal of employment and better lives for the clients we support.

“With our contract income continuing to grow, more resources will be brought in to support the role of company members and continue the progress against our strategic plan.”

Phil Nadin, President



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Vision

To facilitate access to sustainable employment opportunity, particularly for those with a disability or mental health issue.

Mission

Ostara will provide quality services that meet the needs of the people we support, the objectives of Government welfare to work initiatives and the expectations of members and job seekers.

Values

Ostara believes that members of the Australian community have a fundamental right to appropriate support that enables them to recover from mental health issues or manage their disability.

We believe that our services should achieve excellent outcomes for our customers. These services will be delivered in a professional manner.

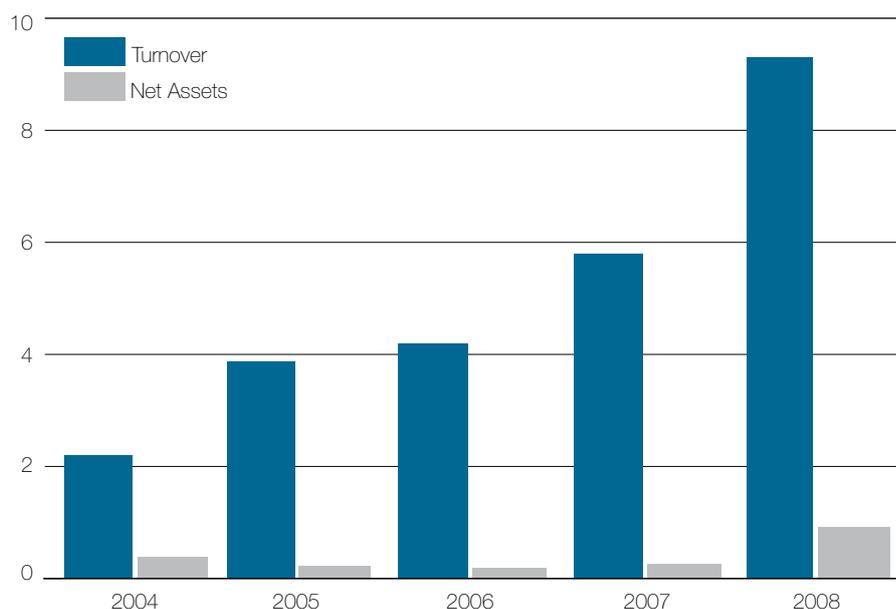
We value a culture of openness that responds to change.

We value innovation in service delivery that meets the future needs of the Australian community.

Highlights

- Establishment of the national support office in Thornbury, Melbourne
- Turnover grows 72% to \$9.3m
- Considerable work on performance management
- Board renewal of strategic positioning and purpose

Financial Highlights



Strategic Achievements

With income received from Government grants and managing independent projects, Ostara directs resources at monitoring and improving service delivery and achieving the goals in this plan. Ostara will act independently from its members or with them to achieve these goals.

Progress against the four clusters of strategic importance to Ostara and its members is presented below.

One: Business Development

Ostara recognises that to succeed nationally, it must win and grow contracts. Ostara will identify and pursue funding opportunities advertised by the Department of Workplace Relations (DEWR) and other government departments that are consistent with our goals. We also recognise that to attract contracts, those we currently deliver must be well managed and meet relevant performance measures.

This year, Ostara maximized its value in contracts held with substantial growth in DEN, PSP and Job Network income. The Job Network Central Coast service

was managed as a joint venture between Ostara and member New Horizons to improve the sites performance and productivity. Performance was an area of further attention with high and low rating sites receiving attention to better understand what makes for great achievements and what is required to address low ball results.

Two: Strategic Relationships

Ostara continued to develop relationships with Government and peak bodies through the period. Our representation on Working Groups continued with the Personal Support Program Reference Group, Mental Health Council of Australia's (MHCA) Employment Research Paper and our seat at Minister Sharman Stone's CEO Reference Group until the end of 2007. Our work with the MHCA led to a role in the release of the new government's mental health employment consultation and Ostara stood with other sector leaders at the launch of the review at Parliament House with Senator Ludwig, Minister O'Conner and Secretary Bill Shorten.

Three: Member Services

Ostara supports company members who pursue a range of interests. Substantial work was undertaken in this area during the period including a change to the contracts charge from 6% to 10% to better manage the contracts we hold, particularly in light of the changes to DEEWR's surveillance of quality in service delivery.

The change to the contract charge has led to more employment of staff and a true beginning of the national support office where seven full time managers now attend to the needs of members and the contracts we deliver.

Four: Corporate Governance

The Board created an audit committee in response to the significant lift in income this year. The committee has representation from the external auditors, an advisory firm and finance staff who provide advice to the Board regarding the financial controls and settings for the organisation. The Board led a change to the constitution, making one further member Board position available in response to the growing membership base.



President's Report

I am pleased to report on advancements in our shared interests in the company Ostara Australia Limited. A long, at times awkward development phase for the company is over and we take pride in the company reaching several important milestones this year.

The Board's decision to open Ostara's national office in mid 2007 led to immediate improvement in the company's outlook and strategic achievements. The office was co-located with The NEPS Centre, at their Preston office in the northern suburbs of Melbourne until the office outgrew those arrangements. Ostara really has come of age.

With our contract income continuing to grow, more resources will be brought in to support the role of company members and continue the progress against our strategic plan. The Board set new priorities for staff in the second half of the year to secure contacts with performance problems and explore better ways of delivering effective member support. These goals, such as better preparation for DEEWR site visits, attendance at site visits and independent reporting from site visits have been achieved.

Ostara's substantial contribution to the MHCA's report on unemployment and mental health is to be celebrated. Significant government interest has resulted from this work and we look forward to the Government's release of their outcomes paper later in 2008. We can be proud of achieving one of our goals: to lobby for better outcomes for clients and company members and improve the service system we work in.

As ever, opportunities and challenges lie before us. Ostara is set to place a significant bid in the new employment services tender. The Rudd Government's call for efficiency and group tendering play to Ostara's strength. We have new member applications streaming in at a rate unseen since Ostara was conceived. We will position the company as best we can in the coming tender and our new reach to UK and other allies improves our competitive positioning.

My thanks to my Board colleagues for their contribution as Director's and to Nic Bolto for his executive leadership.

Phil Nadin
President

September 9th 2007



Executive Director's Report

The Ostara story has completed a new chapter of adaptation, renewal and greater strength. A significant leap in company income has come about by better management of the contracts we hold and the organic growth of the PSP and DEN programs. This growth has directly benefited members in two ways, their relationship with Ostara is worth more and more resources exist in the company to assist them with delivering better results.

Late in 2007, we communicated with members regarding their license fee and the call by members for greater contract support. Resultantly, the fee for support increased during the period to allow more staff to be brought in to assist with performance and training support and in responding to government audits and site visits. No one likes paying more for services, however, DEEWR, a major stakeholder in our current and future business, confirmed the positive impact of the change and that more services were required to keep ahead of their expectations of how they want their contracts managed.

Misty McMillan has ably led her new team through several major transitions this year and is deserving of our thanks and recognition. The establishment of Ostara's own accommodation space has been a great leap forward and provides certainty and a home for the organisation's base and national support office. With consecutive years of growth in income and the continued expansion in the range of programs delivered, Ostara is now a mature organisation with a diverse team of seven full time support staff and several consultant experts engaged to help us achieve our shared goals.

The change in government has brought a completely new take on the employment support environment. The distinct needs of people with mental health issues has prominence not seen since the late Labor government was in power. The environment is well aligned for what Ostara stands for and what it means to be a member.

Outlook

New members join the company at each tender round and this year will be an exceptionally large intake given the government's signaling on group tendering and the collapse of six different program types into the one service stream. While this is a risk for our operations, not winning enough business will lead to contraction, there is a chance of greater penetration into the employment services market. We look forward to embracing new alliances as the world of employment support changes again. Several smaller, poorly diversified members merged this year and while we will lose them as members, we regard this as a direct consequence of the cut and thrust of the government's continuing search for efficiency and better results.

I thank all members for their work through the year and the national support office team for their diligence and enthusiasm. My appreciation also goes to members of the Ostara Board and to the President Phil Nadin for his continuing leadership and governance achievements.

Nic Bolto
Executive Director



Operations Manager Report

I commenced in the position of Operations Manager of Ostara on July 1, 2007 and have found that the 2007 / 2008 financial Year has been exciting and challenging for Ostara and it's members.

Ostara has grown over these 12 months from a two person national support office to one that now employs 8 staff as well as sub contractors. This change in support levels was a decision that was made to meet the contractual requirements of DEEWR, as well as the additional services and assistance being asked for by our member organisations. The employment of these additional positions and the establishment of a head office required a raise in the administration fee by Ostara, which occurred in January 2008, for those members that agreed.

All Ostara head office staff have also been involved in the tender for new employment services that will be released later in 2008 and all our workloads have been high and hectic. I thank each of these staff for their dedication, commitment and incredible hard work over the past six months to improve the performance, profile and financial management of Ostara.

Ostara also took over an existing service in Gosford and commenced direct delivery in August 2007, with our own staff. This Job Network service has also grown in size and delivery capacity over this period, with an outreach service being approved for Gorokan by DEEWR, number of clients increasing from 25 to 160+ and a increase of staff from 2 to 3.5. I would take this opportunity to thank the manager, Koke de Zoysa and his staff for the work they have done to improve the performance and profile of this service.

On behalf of the Ostara team, I can say that we have enjoyed the challenges over the past year and look forward to those in the coming year. We would also like to thank our members and their staff for their support, assistance and understanding which has helped us in performing our roles.

I would also like to take this opportunity to thank Nic Bolto for all the support and assistance he has provided me with over the past 12 months.

Misty McMillan
Operations Manager

A handwritten signature in dark ink, appearing to read 'Misty McMillan', written over a light-colored circular graphic element.

September 5th 2008

Organisational Chart May 2008

Ostara has a new team of support staff to enable the better delivery of contracts. Staff profiles are provided overleaf. The Ostara Board is comprised of six Directors. Phil Nadin is the CEO of PRA in Sydney and has been the President of Ostara since 2004. Bill Gye, General Manager of Sunflower Services in NSW has been a Board member since 2005. Sam Edmonds, Deputy Director - Policy & Communications, Council of Social Service of NSW (NCOSS) is a founding Board member who left the Board in 2005 and rejoined it in December 2007. Steve Kinkead, CEO of New Horizons in NSW joined the Board at the AGM in 2007 as the Treasurer. Nic Bolto is an Executive Director and is the Ostara founder. He has served on the Board since 2001. Rosemary Wallage, CEO of Interwork in South Australia left the Board in June 2008 and was replaced by Micheal Riou, the CEO of Workability in Western Australia.

Board members are not paid for their role as Directors but may be reimbursed for travel and other costs associated with attending meetings. The Board met eight times in 2007/2008, three of these meetings were held via teleconference.





Russell Hayward

Site Support Manager

Russell Hayward our Site Support Manager who managed the Ostara Gosford Site until December 2007 and commenced in this position officially in January 2008. Russell has assisted several sites with support and advice through onsite support either in person by email or telephone. Russell has also been involved in providing assistance to consultants and managers of our eligible member services with DEEWR site audits and reporting requirements.



Maggie Haskell

Marketing Manager

Maggie Haskell commenced as our Marketing Manager in April 2008 and has provided members with marketing material and strategies. Over the past few months, she has revitalized the Ostara website to make it more accessible for our current members as well as potential new members and partners in the forthcoming tender, developed and implemented a email marketing campaign and assisted in producing marketing material to re launch our JCA Social Intervention Services. Maggie has also been involved in the setting up of Ostara's new Head Office and sites.



Kim Broad

Performance Manager

Kim Broad is our Performance Manager who commenced in the position in June 2008. This position supports the Site Support Manager and the Training and Support Officer by providing them with performance data that identifies improvements that need to occur at a site level and training requirements. Kim has also been involved in developing strategies for utilizing Productivity Placements and identifying skill shortage areas within LMR's.

Introducing the national support office staff



John MacDonald

Training and Support Manager

John MacDonald is the Training and Support Manager and commenced in this position in June 2008. In the new year John will be delivering web based training programs as well as face to face training. He has commenced developing modules for delivery and has contacted Members about the training. His role also supports the Site Support Manager and he has been involved in travelling to sites to provide support and assistance, and also providing information and guidance by email and telephone.



Enza Palumbo

Administration and Finance Officer

Enza Palumbo is our Administration and Finance Officer and commenced in this position in December 2007. Enza has had to perform several major tasks in her role, which has involved establishing databases within MYOB and Excel to manage the finances, member payments and the JCAT services. It is one that has been demanding and requiring continuous improvement. This is an area that Enza is still changing and developing to address flaws that occur.



Olivia Kajkic

Trainee Receptionist and Administrative Officer

Olivia is our newest member and is a Trainee Receptionist and Administrative Officer. She provides support and assistance to all staff at Ostara and is the initial contact person for our JCAT Social Intervention Services.

Gosford site staff



Koke De Zoysa

Site Manager of Ostara Gosford

Koke is the Site Manager of Ostara Gosford, in time Koke has increased the star rating from 0-3.5 through intensive engagement with jobseekers. Koke has marketed the Ostara services in the Central Coast area increasing community and employer awareness. Koke also spends time travelling between sites for set up and assistance with audit support to our members.



Eryn

Employment Consultant

Eryn joined Ostara as an Employment Consultant in April 2008. In this time Eryn has assisted many disadvantaged jobseekers toward employment through excellent case management.



Steven

Employment Consultant

Steven has recently joined Ostara as an Employment Consultant. He comes from the Government sector with diverse experience in dealing with the public especially disadvantaged youth. He has found that these skills have been easily transferrable to his consultant role.

Financial Report

Ostara has recorded a 72% lift in income for the period ending June 30th 2008. The increase is a result of the greater flow of income from contracts held and better contract management.

- Income from the PSP program has increased by 38%.
- Income from the Job Network program has increased by 24%.
- Income from the DEN program has increased by 211%.
- New income of \$199,915 was recorded from the VRS program.

The surplus for the period of \$620,971 is higher than expected and is the result of the direct delivery of a Job Network contract on the Central Coast, higher income than that budgeted, greater fees income from contracts and unavoidable delays in planned IT and infrastructure spending and staffing appointments. There has been some overpayment of fees to sub-contractors, the treatment of which is still being resolved.

Expenditure in 2009 will more closely match income received as a full staff compliment is now in place, Ostara completes the set up of the national support office, builds a case management IT application and prepares a tender response for the employment services tender.



Treasurer Stephen Kinhead, left, with Director Bill Gye at a Board meeting held in Melbourne in early 2008

BALANCE SHEET AS AT 30TH JUNE 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash assets	5	1,418,220	282,018
Receivables	6	331,670	2,682
TOTAL CURRENT ASSETS		1,749,890	284,700
NON-CURRENT ASSETS			
Property, plant and equipment	7	62,363	3,024
TOTAL NON-CURRENT ASSETS		62,363	3,024
TOTAL ASSETS		1,812,253	287,724
CURRENT LIABILITIES			
Payables	8	904,252	1,534
Interest bearing liabilities	9	840	-
TOTAL CURRENT LIABILITIES		905,092	1,534
TOTAL LIABILITIES		905,092	1,534
NET ASSETS (LIABILITIES)		907,161	286,190
EQUITY			
Contributed equity	10	-	-
Retained profits	4	907,161	286,190
TOTAL EQUITY		907,161	286,190

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2008

	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	8,881,016	5,743,464
Payments to suppliers & employees	(7,691,763)	(5,788,127)
Interest received	13,577	962
Net cash provided by (used in) operating activities	1,202,830	(43,701)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant & equipment	0	0
Purchase of property, plant & equipment	(69,634)	0
Net cash provided by (used in) investing activities	(69,634)	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	0	0
Repayment of borrowings	0	0
Net cash provided by (used in) financing activities	0	0
Net increase (decrease) in cash held	1,133,196	(43,701)
Cash at beginning of year	282,018	325,719
Cash at end of year	1,415,214	282,018

PROFIT AND LOSS STATEMENT AS AT 30TH JUNE 2008

	2008	2007
	\$	\$
INCOME		
Personal Support Programme (PSP) Income	5,224,238	3,765,510
Disability Employment Network (DEN) Income	3,159,050	1,016,892
Job Network Services (JNS) Income	652,833	527,751
Vocational Rehabilitation Service (VRS) Income	199,915	-
Job Capacity Assessment (JCA) Income	24,395	-
JCA Licence Fees	9,000	-
Memberships Fees	-	22,670
Tender Fees	-	25,900
Quality Assurance Subsidy	7,500	-
Equipment Subsidy	-	44,091
Interest Income	13,577	962
	9,290,508	5,403,776
EXPENDITURE		
Accountancy Fees	4,672	1,360
Audit Fees	3,250	1,650
Bank Charges	102	283
Board Meeting & AGM Expenses	23,767	9,865
Bookkeeping Fees	6,780	6,895
Computer Expenses	2,135	9,894
Contract Implementation	-	24,672
Contractors	7,890	-
Depreciation	10,295	4,537
Filing Fees	343	70
AGM Expenses	-	1,494
Hire of Plant & Equipment	9,922	-
Insurance	11,785	7,280
JNS Direct Expenses	14,182	-
Legal Costs - Project Expenditure	-	2,020
Membership	2,532	6,002
Member Payments	7,963,748	4,965,846
Motor Vehicles & Maintenance	3,068	-
Office Expenses	2,583	-
Printing & Stationery	8,002	590
Rates & Taxes	220	-
Rent	30,781	-
Secretariat	127,134	184,490
Staff Recruitment	8,870	-
Subscriptions & Dues	-	110
Superannuation Contributions	27,384	2,911
Telephone	47,699	-
Tender Costs	-	57,405
Travel & Conferences	34,242	-
Wages	317,881	32,322
Website	270	-
Prior Year Adjustments	-	(7,216)
	8,669,537	5,312,480
NET PROFIT	620,971	91,296



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