



Nadrasca

Dignity. Diversity. Community. Industry.

ANNUAL REPORT 2012-2013

Nadrasca

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Board of Directors

- Mike Poole (Chairman)
- Keith Kilner (Deputy Chairman)
- Gus Koedyk (Company Secretary)
- Christopher Douglas James
- Roderick Bruce Keuris
- Douglas John Mitchell
- Christopher Patrick Pyke
- Dr Deborah Seifert (appointed 28/5/13)
- Christopher Norman Woodward



Overview

This financial year was a period of change with the introduction of the National Disability Insurance Scheme (NDIS), now known as DisabilityCare Australia (DCA).

A High Court ruling in May 2013 will continue to impact the supported employment sector known as Australian Disability Enterprises (ADEs).

During the year, Fair Work Australia issued an Equal Remuneration Order for people who work in the social and community services sector. Most Nadrasca staff covered by this award will receive significant wage increases (up to 32%) over the next 8 years.

In addition, the Australian Charities and Not-For-Profit Commission (ACNC), a new government reporting body for not-for-profit organisations, was set up.

The Victorian Government released a new Victorian State Disability Plan 2013-2016, and a new 10-year Vision 2012-2022 for supported employment was released by the Australian Government.

The year started with the introduction of the carbon tax – another cost impost on the organisation with no subsidy offset. This, coupled with political uncertainty and adverse trading conditions, made it a very challenging year. Despite these challenges, the Board continued to set a strategic direction to assist Nadrasca to achieve its purpose: 'To Establish and Develop a Range of Services for People with a Disability'.

Strategic Plan

As part of a continual review of Nadrasca's Strategic Plan, planning meetings were held in March and April 2013. The Board continues with the following strategic initiatives:

- To grow and expand Nadrasca Industry's Supply Chain Management operations
- To promote our traineeship programme, 'My Life, My Future'. Participants will have a Personal Plan and be provided with opportunities in Nadrasca Industry, Nadrasca Community and education.

Business Plans are also being developed for a Community Hub and Community Linkages in preparation for the new world of DisabilityCare Australia.

Part of our Strategic Review included the decision to close the Nadrasca Bookshop/Book Exchange from 30 August 2013. This decision was made due to a decline in foot traffic and revenue, and employee resignations. The employees who worked at the Bookshop/Book Exchange will be redeployed to Rooks Road Nunawading.

Business Services Wage Assessment Tool (BSWAT)

In December 2012, the Federal Court ruled (on appeal) that the use of the BSWAT to determine the wages of two supported employees contravened the Disability Discrimination Act (DDA). The reasons were complex.

On 10 May 2013, the High Court rejected the Australian Government's application for leave to appeal the Federal Court decision. This long-running court action contesting the legitimacy of BSWAT is over. The outcome of the High Court decision is that the BSWAT will remain suspended from use. Currently used by around half of all ADEs, BSWAT determines the wage rates of around 10,500 supported employees nationally.

The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) has assured the sector that it is giving resolution of this issue a high priority. Various options are being considered as the complex and potentially far-reaching implications of the decision are analysed. In considering the course ahead, it is imperative that the paramount consideration is ensuring that the jobs of supported employees are viable.

Nadrasca uses the Greenacres Wage Assessment Tool, one of 30 assessment tools in use. While this High Court decision does not impact us immediately, it may have long-term implications.

DisabilityCare Australia (DCA)

During the year, legislation was introduced to set up DCA, an independent statutory agency, whose role is to implement what was known as the National Disability Insurance Scheme (NDIS).



Significant changes to existing disability support systems are required. Arrangements are being put in place to ensure that the Scheme is introduced gradually, ensuring a smooth transition for people with disability and support providers.

From 1 July 2013, the first stage of the Scheme will begin to roll out in launch sites in South Australia, Tasmania, the Barwon area of Victoria and the Hunter area of New South Wales. The ACT and NT will join the launch in July 2014.

The cost of DCA will be partially funded by a .05% increase in the Medicare levy.

The Australian Charities and Not-for-Profit Commission (ACNC)

During the year, the ACNC commenced operation. The ACNC is the independent national regulator of charities, set up to achieve the following objects:



- maintain, protect and enhance public trust and confidence in the not-for-profit sector through increased accountability and transparency

- support and sustain a robust, vibrant, independent and innovative not-for-profit sector
- promote the reduction of unnecessary regulatory obligations on the sector

To achieve its objects, the ACNC:

- registers organisations as charities
- helps charities understand and meet their obligations through information, guidance, advice and other support
- maintains a free and searchable public register so that anyone can look up information about registered charities
- is working with state and territory governments (as well as individual federal, state and territory government agencies) to develop a 'report-once, use-often' reporting framework for charities

Five specific Governance Standards will apply from **1 July 2013**:

1. Purposes and not-for-profit nature of a registered entity
2. Accountability to members
3. Compliance with Australian laws
4. Suitability of responsible persons
5. Duties of responsible persons

More information on the ACNC can be found at <http://www.acnc.gov.au/>

Board Matters

During the year, Nadrasca welcomed Dr Deborah Seifert as a new Director. Deborah's leadership positions have included CEO of Philanthropy Australia, Head of University College, University of Melbourne, and Head of Fintona Girls' School, Melbourne. She is currently Director of The Australian Institute of International Affairs (Victoria), Member of the Advisory Boards for the ACER Leading Learning in Education and Philanthropy project and The Centre for Social Impact. She serves on the Mission Australia Lead Experts Committee and the Fundraising and Benefaction Committee with Graduate House (University of Melbourne), and is a facilitator and consultant in the education and philanthropic sectors.

The Board has Directors with skills and competencies that meet those required, as identified at a Planning meeting some years ago. They include skills such as accounting/financial, legal, commerce/business, government access/knowledge, marketing, disability, and parental/carer knowledge.

Nadrasca Industry

This financial year, especially the period from August 2012 to February 2013, was the most difficult trading phase for Nadrasca Industry since before the Global Financial Crisis. A number of our larger customers saw revenue reductions of between 37%-70%. Most of the shortfall related to the softening retail sector.

Despite the tough economic conditions, our new ISIS Supply Chain Management system went live in August 2012. It is operating well and providing the information required for warehousing and supply chain, both internally and externally to customers. This will create growth in new customers in our Supply Chain Management and Consumer-Ready business.

We have also completed extensive workplace modifications to enable broader business offerings to food-based customers.

We commenced a Graduate Traineeship Programme with the Heatherwood School, which has been an outstanding success. As a result our employee numbers have grown from 135 to 168, despite the fact that our funding capacity is capped at 142 positions.

All this has resulted in an improved perception of Nadrasca Industry's employment options and provided growth employment opportunities such as Truck Driving, Inventory Management, Customer Integration, Customer Service, Container Management, Despatch and Advanced Shipping Notice.

Effective from 1 July 2012, the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) introduced Activity Performance Indicators (API's) into the Funding Agreement. These will be monitored annually over the next three years.

Nadrasca Community

Nadrasca has been part of the Healesville Freeway Reserve Advisory Group and an active member of the Friends of the Healesville Reserve, as the Nadrasca Farm is part of this Reserve. We were involved in a petition with over five thousand signatures to 'Save the Reserve' tabled in the Victorian Legislative Assembly. In addition we gathered 2,924 signatures to save the Nadrasca Farm, which were tabled in the Victorian Legislative Council. The acknowledgement and support from our community to 'Save the Farm' has been overwhelming and much appreciated.

Our corporate partner, The Good Guys Nunawading, held a 'Save the Farm' Saturday morning and organised a VIP Night. They continue to raise funds for projects at the Farm.

On 22 November 2012, staff from PepsiCo Smiths Snack Food Co. volunteered to work on projects to improve the surrounds of the Day Services sites.

FDC Construction & Fitout Pty Ltd, through their fundraising committee, donated a hoist for the pool at Witt Street which will provide access for people with significant physical disabilities.

The Department of Human Services Victoria (DHS) introduced amendments to the Disability Act 2012, including a greater definition of Complaints and an extension of the complaint process to 90 days. Community Residential Units are now known as 'Group Homes'.

During the year we partnered with the Oakleigh Centre's Rec-Line to offer the people we support

further Recreation and Leisure activities. We organised two parent/family forums and the Coordinator from the Oakleigh Centre visited all Nadrasca sites, talking to people about Rec-Line services.

In May, a three-day workshop called 'Respite for Carers' was organised by Nadrasca for parents and carers on the following topics:

- Taking care of yourself as a carer
- Learning how the Mental Health Respite Programme works
- Where to start if you if you don't have any support
- Understanding why respite is important and how to access what you need
- Making plans for the future and what to consider
- Developing strategies and confidence to negotiate services and advocate effectively

In September, we arranged for Lesley O'Loughlin-Shultz, who is on the Parent Advisory Group of the Victorian Advocacy League for Individuals with Disability (VALID), to speak about her journey with her daughter, and how she and family members supported her daughter to move into her own home using government funds. Her presentation was well received by the parents/carers who attended.

The Nadrasca Parents and Friends of Welfare and Residential Services Committee decided in April 2013 to dissolve due to lack of numbers and because people within our services are now well supported. Nadrasca gratefully acknowledges and thanks the Committee for its contribution over the past 40 years.

Certification

Following successful certification to the Quality Framework, Nadrasca completed Disability Service Provider renewal registration with DHS for the next 3 years.

Nadrasca Community is preparing for a mid-cycle review of the DHS Standards and has been working to deliver outcomes from the Personal Plans of the people Nadrasca supports.

Nadrasca Industry underwent auditing on 21-22 May for Disability Service Standards re-certification and the ISO Surveillance Audit. Nadrasca Industry passed all requirements of these two quality management systems. The ISO auditors were impressed with the new processes introduced as a result of the ISIS Warehouse Management System. They reported no major non-conformances, only giving suggestions for continuous improvement and observations.

Risk Management & Compliance

The Risk Management & Compliance Sub-Committee continues to monitor Nadrasca's risk management system. The Risk Management Matrix and Risk Assessment documents were all reviewed during the year.

The Board engaged an independent safety consultant to conduct a Workplace Health and Safety Gap Analysis Audit of all Nadrasca services and sites. The report is due in late 2013. The Gap Analysis will review compliance to the current OH&S Act and the impacts of new requirements under the National Work Health & Safety (NWH&S) Act.

An internal Traffic Management and Safety upgrade is planned for Rooks Road Nunawading, as well as a restructure of evacuation safety processes. A Road and Travel Safety education programme was also introduced.

Financials

Nadrasca's surplus of \$515,535 (see overleaf) remains satisfactory, despite a difficult economic climate and a reduction in revenue due to some major customers experiencing sales reductions. There was a slight \$20K reduction on the previous year's result.

Combined Revenue for the year decreased by \$69,228, due mainly to declining sales. Efforts were made to control expenses. Almost 67% of Nadrasca revenue is Government funding from either DHS or FaHCSIA.

Just over half the surplus was from investment income, with the balance resulting from a good financial outcome for Nadrasca Community. Nadrasca Industry broke even and Nadrasca Accommodation Services made a (\$42K) deficit due to continued underfunding as a result of historical factors. Nadrasca has 17 operational departments, nine of which achieved a surplus in 2012-13, with eight in deficit.

The Statement of Financial Position as at 30 June 2013 is \$10,880,601.

These results would not have been achieved without the support and dedication of all staff, employees and stakeholders of Nadrasca. The Board would like to recognise their contribution.

Nadrasca acknowledges the support of the Victorian Government.



Australian Government
Department of Families, Community Services
and Indigenous Affairs

The provision of employment assistance services to people with disability is partially funded by the Australian Government under the Services and Support for People with Disability Programme.



Gus Koedyk
Executive Director



Mike Poole
Chairman

Statement of Surplus or Deficit and Other Comprehensive Income for the Year Ended 30 June 2013

	2013 \$	2012 \$
Revenue	10,123,707	10,192,934
Cost of sales	(495,867)	(470,622)
Employee benefits expenses	(7,245,933)	(7,222,763)
Marketing expenses	(17,096)	(14,860)
Depreciation and impairments	(314,923)	(303,200)
Consulting and professional fees	(36,897)	(38,419)
Repairs and maintenance	(263,615)	(354,147)
Rent and occupancy expenses	(312,879)	(226,006)
Motor vehicle and travel expenses	(242,084)	(249,620)
Cleaning and housekeeping expenses	(168,132)	(194,692)
Doubtful debts expense	—	(23,362)
Other expenses	(510,746)	(558,839)
Surplus for the year	515,535	536,404
Other comprehensive income	—	—
	515,535	536,404

Statement of Financial Position as at 30 June 2013

	2013 \$	2012 \$
Current assets		
Cash and cash equivalents	799,572	367,208
Trade and other receivables	502,257	410,691
Inventories	85,028	56,620
Financial assets	3,896,018	3,710,247
Other current assets	118,468	159
Total current assets	5,401,343	4,544,925
Non current assets		
Other receivables	212,500	212,500
Property, plant and equipment	7,817,293	7,721,088
Total non current assets	8,029,793	7,933,588
TOTAL ASSETS	13,431,136	12,478,513
LIABILITIES		
Current liabilities		
Trade and other payables	855,566	624,588
Borrowings	116,813	36,190
Other current liabilities	171,375	191,891
Short term provisions	1,219,190	1,142,922
Total current liabilities	2,362,944	1,995,591
Non current liabilities		
Other long term provisions	187,591	117,856
Total non current liabilities	187,591	117,856
TOTAL LIABILITIES	2,550,535	2,113,447
NET ASSETS	10,880,601	10,365,066
EQUITY		
Reserves	119,908	96,331
Accumulated surpluses	10,760,693	10,268,735
TOTAL EQUITY	10,880,601	10,365,066



Statement by Independent Auditor — Saward Dawson

We, Saward Dawson have been appointed Auditor of the Company for the year ended 30 June 2013. In our opinion, the information reported in the summarised Statement of Surplus or Deficit and Other Comprehensive Income and Statement of Financial Position of Nadrasca for the year ended 30 June 2013 is consistent with the annual statutory report from which it is derived and upon which we intend to express an unqualified opinion in our report to members. For a better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the annual statutory financial report.



Statement on behalf of the Board

I, Gus Koedyk being the officer in charge of the preparation of this summarised Annual Financial Report comprising the Statement of Financial Performance and Statement of Surplus or Deficit and Other Comprehensive Income of Nadrasca for the year ended 30 June 2013, state that the financial report has been extracted from the books and records of the Company and shows a true and fair view of the state of affairs of Nadrasca. A full set of audited accounts is available upon request or can be viewed on the Company website – www.nadrasca.com.au

