

Nadrasca

Dignity. Diversity. Community. Industry.



ANNUAL REPORT 2013-2014

NADRASCA

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BOARD OF DIRECTORS

Mike Poole (Chairman)
Keith Kilner (Deputy Chairman)
Gus Koedyk (Company Secretary)
Christopher James
Roderick Keuris
Christopher Malin (appointed 29/10/2013)
Claudia Margach
Douglas Mitchell
Christopher Pyke
Dr Deborah Seifert
Christopher Woodward

REPORT FROM THE CHAIRMAN AND EXECUTIVE DIRECTOR

2013-14 HIGHLIGHTS

NATIONAL DISABILITY INSURANCE SCHEME (NDIS)

In July 2013, the NDIS trial began at the Barwon site in Geelong and some interstate sites, followed by further trial sites around Australia. The NDIS represents a fundamental shift in social policy. It promises to dramatically improve the lives of people with a disability and their families by personalising support, and giving people choice and control.

It will not just give people eligibility, but also entitlement to equipment and services. It is estimated that some 460,000 people will be eligible for support by the Scheme. The introduction of the NDIS will bring new demands and pressures for service providers and staff as it is essentially a market restructure of the Disability Sector.

Nadrasca management is monitoring the impact on service providers and participants. We have attended a number of forums to assess the changes and requirements of dealing with the National Disability Insurance Agency (NDIA). We have also completed the NDIS Readiness Toolkit to determine how prepared we are for the NDIS. This self-assessment has allowed Nadrasca to benchmark itself against other respondents.

Reports have been released by the Commonwealth Government, a Joint Standing Committee and consultancies such as KPMG, on the progress of the implementation and administration of the NDIS.

The Joint Standing Committee on the NDIS was established on 2 December 2013 when the Senate agreed to a Resolution from the House of Representatives. The Committee (composed of six Members and six Senators) was tasked with reviewing:

- the implementation of the NDIS;
- the administration and expenditure of the NDIS;
- any matter in relation to the NDIS referred to the committee by a resolution of either House of the Parliament.

The Committee identified that the NDIS was a massive and complex reform. The Chairman of the NDIS Board said: 'it was never going to be possible to just roll out this scheme smoothly from day one'.

While there have been a number of issues at the trial sites, hopefully criticisms by participants and service providers will be constructively dealt with over the trial period through the implementation of Continuous Improvement and it is hoped

that the Scheme will be of benefit to all those involved.

If you require further information, it is available on www.ndis.gov.au

BUSINESS SERVICES WAGE ASSESSMENT TOOL (BSWAT)

This issue was covered at length in the September Nadrasca News (available on our website under 'Publications'). While the decision regarding the BSWAT does not affect Nadrasca directly, the consequences of future decisions may have an impact on the sustainability and viability of Nadrasca Industry in the future. Australian Disability Enterprises (ADEs) using the BSWAT will have to move to another approved pro-rata award-based assessment tool by 1 April 2015.

Advocates and unions have applied to the Fair Work Commission to have all wage tools removed from the Supported Employment Services Award, except for the Supported Wages System (SWS). This will have a significant financial impact on ADEs and could affect their sustainability and viability. If the Government introduces legislative changes (or if current legal matters before the courts continue and result in increased wage costs for all ADEs), there will be a direct impact on Nadrasca and our employees.

STRATEGIC PLAN

The Board conducted a Strategic Planning Day in April 2014 with Senior Management and will continue with its Strategic Objectives:

- To grow and expand the Nadrasca Industry Third Party Logistics Business.
- To grow and expand the 'My Life, My Future' (MLMF) and Training programmes for young school leavers.
- To promote, through partnerships, the training and education of people supported by Nadrasca.

BOARD MATTERS

Nadrasca welcomes Ms Claudia Margach and Mr Christopher Malin as Board Directors. The Nadrasca Ltd Constitution allows for not less than five (5) and not more than eleven (11) Directors. With the two new Board members, Nadrasca now has a full complement of Directors.

The Board initiated an internal review on the cost of Risk Management and Compliance due to concerns about legislation, regulations, audits and government department funding, service agreements and guidelines.

The review identified costs in excess of \$3.143 million associated with Risk Management and Compliance, which are equivalent to 30% of Nadrasca's revenue. The organisation has to respond to over 100 Commonwealth and State Acts and

Regulations, in addition to guidelines and audits in our funding and service agreements. We have auditors on site in excess of 20 days a year conducting either financial, ISO, standards' audits and/or funding & compliance audits. This is in addition to internal audits which are conducted to conform to Nadrasca's Quality Management System. Unfortunately, compliance is becoming a huge impost!

During the year, the Nadrasca Board approved the implementation of a programme enabling staff to contribute to the integrity and transparency of our service provision/delivery, and the maintenance of a positive, productive and caring work/programme environment for the people we support. The programme will encourage, protect and support the responsible reporting of breaches of Human Rights of Individuals, Abuse and Neglect, Health & Safety Policies/Practices, Theft/Damage & Dishonest Practices and Dishonest Financial & Accounting Practices.

This programme, 'Your-Alert', is hosted by Your-Call Disclosure Management Services, an independent, third party organisation that Nadrasca has contracted to assist us. This programme will assist Nadrasca to demonstrate and achieve best practice in corporate governance.

THE NADRASCA FARM

In August 2013, the Hon. Terry Mulder, Minister for Roads, announced that VicRoads and Nadrasca had renewed and signed a 10-year License Agreement, enabling the Nadrasca Farm to remain at its current location in Morack Road, Vermont South. The Agreement came after a lengthy consultation process in relation to the future use of the Healesville Freeway Reserve.

At one stage, we thought we would be given notice to vacate. Nadrasca would like to express its gratitude to the Minister and VicRoads for this announcement.

Nadrasca also thanks all its supporters including, but not limited to, the Nadrasca community, parents and carers, the Friends of the Healesville Freeway Reserve, local politicians, the media, the local councillors for the Morack Ward, other disability service providers, community organisations, corporate sponsors, especially The Good Guys Nunawading, our local neighbours at Morack Road and the general community who supported the 'Save The Farm' campaign.

Many of these people signed the Petition to 'Save the Farm', wrote letters to the editor of the local papers and/or the daily newspapers, or attended the Open Day in support of the FARM.

NADRASCA'S OPERATIONS

During the year, a number of projects were implemented to streamline Nadrasca's operations as well as improve traffic

management and safety at a number of our sites. We have also installed CCTV cameras at Witt Street, High Street and the Farm to improve security and safety.

CIMSability, an electronic Client Information Management System was introduced to ensure that information relating to the people we support is stored and managed to achieve the best possible outcomes. This system has streamlined the old paper-based system. With CIMSability, Nadrasca can identify all supported persons' support needs and ensure they are met; better manage and monitor people's progress towards their goals; make people's Personal Plan a 'living' document; provide improved frequency and quality of support feedback; and ensure effective communication between different services, with the goal of improving overall service delivery.

NADRASCA INDUSTRY

Nadrasca Industry continues to grow, following the decision made over three years ago to move into Supply Chain Logistics. Employee numbers have increased from 168 to 190.

Supported employees, along with supervisors, have also been trained to operate and manage the ISIS Supply Chain and Warehouse Management System.

Nadrasca Industry purchased a 10-tonne truck to complement our service offering to customers and commenced a Transport Traineeship programme for employees.

A four-colour press was also purchased to improve efficiency and costs in the printing area.

Nadrasca Industry achieved its revenue and surplus targets, thanks to the commitment and dedication of all employees, staff and management.

NADRASCA COMMUNITY

Early this year, as part of Nadrasca's Strategic Plan, a new service, 'My Life, My Future' (MLMF), was established at 5 Wood Street Nunawading for people leaving the education system. MLMF has been well received and we anticipate that it will continue to grow.

As in previous years, in conjunction with Level Consulting Services, we ran a family forum to assist parents/carers work through the minefield associated with obtaining support for people with a disability.

We have established a partnership with the Uniting Care Harrison Genesis programme – a twenty-week live-in course to assist people in transitioning to independent living.

Unfortunately we lost a number of people from our services this year through deaths or the need for them to move into Aged Care due to deteriorating health. A number of people have been with Nadrasca for

many decades and now require a medical model of service delivery rather than a social, inclusive model.

TRAINING SERVICES

The year has been an exciting time of growth and significant change. Nadrasca is committed to up-skilling the work and life skills of the people it supports, increasing their independence and enabling them to live a life of true inclusion.

The Holistic Vision of empowering people with a support need was presented during the Strategic Planning Day in April 2014.

The benefits of this training approach for Nadrasca's service delivery include:

- a. Establishing Nadrasca as an innovative and inclusionary Support Provider.
- b. Adding value and depth of options to both the Nadrasca Industry and 'Day Services' offerings, enabling the transfer of skills and the advancement to Open Employment.

Nadrasca has commenced training people in Certificate I in Work Education. Some trainees have successfully completed this Certificate and have now commenced their Certificate II in Warehouse Operations. A compulsory element of the Certificate level training is that each trainee must also work. This is to enable trainees to apply what is learnt and achieve more effective learning outcomes.

Training has brought renewed self-confidence for many of the trainees. They have gained new skills in literacy, numeracy, computer skills, communication and budgeting – skills not only important in work, but transferable to everyday life.

We now have people who, as a result of their Certificate I in Work Education, are successfully participating in work for the first time in their lives. It has also been very exciting to see a group of trainees successfully obtain their driver Learner's Permit.

QUALITY AND COMPLIANCE

To deal with the ongoing increase in compliance activities, Nadrasca has created a new position: Quality and OH&S Coordinator.

Nadrasca Community has been updating and working on new Department of Human Services (DHS) Standards introduced in 2012. Nadrasca Community staff have been working to achieve the goals identified in people's Personal Plans.

Nadrasca Industry underwent surveillance audits for both Department of Social Services (DSS) Disability Service Standards and ISO AS/NZS ISO 9001:2008 Quality Standards, successfully maintaining both certifications.

Six new Standards were introduced to all Commonwealth-funded ADEs in January

2014, all of which Nadrasca Industry is in the process of implementing. They are:

- 1 Rights
- 2 Participation and Inclusion
- 3 Individual Outcomes
- 4 Feedback and Complaints
- 5 Service Access
- 6 Service Management

DONORS, SUPPORTERS & SPONSORS

Nadrasca wishes to thank all the donors, supporters, corporate sponsors and community groups who have given so generously. Your generosity and assistance are greatly appreciated.

FINANCIALS

Nadrasca's surplus for 2013-14 is \$1,038,039, a significant increase over last year's surplus of \$515,534. The increase is due to a better result by Nadrasca Industry, with a surplus of \$208,802, a surplus by Nadrasca Community of \$83,446, and a surplus of \$164,200 from the new operational area, Training Services.

More than half the surplus \$538,152 is from investment income and rental on Nadrasca-owned properties.

Revenue increased by \$1,247,502 (12.5%) due to increased sales and subsidies.

The Statement of Financial position as at 30 June 2014 is \$11,918,640.

This excellent operating result was achieved through the commitment and dedication of Nadrasca's employees and staff working in a very difficult environment in a sector that is currently going through significant change. The Board acknowledges and appreciates the contribution made by all those involved.

Nadrasca acknowledges the support of the Victorian Government.



Australian Government
Department of Social Services

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.



Mike Poole
Chairman



Gus Koedyk
Executive Director

Statement of Surplus or Deficit and Other Comprehensive Income for the Year Ended 30 June 2014

	2014 \$	2013 \$
Revenue	11,229,751	9,982,249
Cost of sales	(643,803)	(495,867)
Employee benefits expenses	(7,710,062)	(7,245,933)
Marketing expenses	(14,874)	(17,096)
Depreciation and impairments	(337,319)	(314,923)
Consulting and professional fees	(37,598)	(36,897)
Repairs and maintenance	(281,780)	(263,615)
Rent and occupancy expenses	(166,420)	(171,422)
Motor vehicle and travel expenses	(238,191)	(242,084)
Cleaning and housekeeping expenses	(156,923)	(168,132)
Doubtful debts expense	(557)	—
Other expenses	(604,185)	(510,746)
Surplus for the year	1,038,039	515,534
Other comprehensive income	—	—
Items that will not be reclassified subsequently to surplus or deficit	—	—
Items that will be reclassified subsequently to surplus or deficit when specific conditions are met	—	—
Total comprehensive income for the year	1,038,039	515,534

Statement of Financial Position as at 30 June 2014

	2014 \$	2013 \$
ASSETS		
Current assets		
Cash and cash equivalents	840,292	799,572
Trade and other receivables	557,839	502,257
Inventories	170,336	85,028
Financial assets	4,724,336	3,896,018
Other current assets	7,500	118,468
Total current assets	6,300,303	5,401,343
Non-current assets		
Other receivables	212,500	212,500
Property, plant and equipment	7,972,667	7,817,293
Total non-current assets	8,185,167	8,029,793
TOTAL ASSETS	14,485,470	13,431,136
LIABILITIES		
Current liabilities		
Trade and other payables	759,378	855,566
Borrowings	—	116,813
Other current liabilities	279,013	171,375
Short term provisions	1,261,398	1,219,190
Total current liabilities	2,299,789	2,362,944
Non-current liabilities		
Long term provisions	267,041	187,591
Total non-current liabilities	267,041	187,591
TOTAL LIABILITIES	2,566,830	2,550,535
NET ASSETS	11,918,640	10,880,601
EQUITY		
Reserves	148,226	119,908
Accumulated surpluses	11,770,414	10,760,693
TOTAL EQUITY	11,918,640	10,880,601



STATEMENT BY INDEPENDENT AUDITOR — SAWARD DAWSON

We, Saward Dawson have been appointed Auditor of the Company for the year ended 30 June 2014. 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 2014 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 Surplus or Deficit and Other Comprehensive Income and Statement of Financial Position of Nadrasca for the year ended 30 June 2014, 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

