



WANGARANG INDUSTRIES

ANNUAL REPORT



2014

VISION

To make a sustainable difference and enrich the lives of people with disabilities in our communities

MISSION

We are a community business creating opportunities and actively supporting people to make the most of their abilities.

VALUES

Integrity ~ Respect ~ Empowerment ~ Excellence

Our four values reflect our commitment to the way we approach all our interactions with the people we support and their families and carers, the work we undertake and the relationship we aspire to have with our external stakeholders and local communities.

TABLE OF CONTENTS

Chairperson's Report.....	Page 3
General Manager's Report	Page 5
- Human Resources	Page 6
- Operations.....	Page 7
- Marketing.....	Page 8
Delegates Report.....	Page 10
Years of Service.....	Page 10
Wangarang Financials.....	Page 11

THANK YOU FOR YOUR SUPPORT

On behalf of the Board, management, staff and employees of Wangarang Industries, we would like to convey our sincere gratitude to the following businesses for their generous support towards our building co-location project and the construction of our new facilities at Forest Road, Orange.

Their contribution to the project, whether it was through pro-bono work, donations of labour, construction materials, work benches or free services, without their support and that of their companies this project would not have been possible.

Please support the businesses that support Wangarang.

Coleman's Earthmoving - Orange

Radar Electrical Services Pty Ltd

JKS Plumbing Pty Ltd

Wheelers Industries

Ultra Steel Sheds & Garages Pty Ltd

Saunders & Staniforth

Matt B Concreting

Choice Flooring by Bel-Air

Wise Landscaping & Carpentry

Westruss Manufacturing Pty Ltd

Whittaker Contracting

McKinnon Design

Heath Consulting Engineers

Orange Plasterboard

Thomson's Garden Centre

Kent's H Hardware

Skylighting Systems

PJL Group

Laminex CTCL Pty Ltd

Jeff Hort Engineering

Canobolas Locksmith

CHAIRPERSON'S REPORT

Michael Crowley



Once again, it is my pleasure to report that the service undertakings and commitment by Wangarang to people with a disability, their parents/carers and families continues to remain very strong. It is very pleasing to report that Wangarang has improved its financial position for the third year running with an operating profit in the 2013/14 financial year of \$117,101. This follows on from a profit of \$25,724 in 2012/13 and \$47,337 in 2011/12.

Wangarang has provided meaningful employment and vocational training opportunities for people living with a disability throughout Orange and the Central West for just over 50 years and will strive to do so for another 50 years notwithstanding the challenges that lie ahead. The Board and executive team have been working on the 2014 to 2017 Strategic Plan for Wangarang.

As part of this plan, Wangarang's Vision has been developed as:

“to make a sustainable difference and enrich the lives of people with disabilities in our communities”.

The key actions arising from the Strategic Plan are as follows:

- Ensure the Board is enabled to provide the required leadership for the Organisation's Future.
- Develop the leadership capability and capacity of the Executive team
- Develop a Performance Management Plan
- Develop, review and update the annual business plan and 3 year strategic plan.
- Review and adjustment of internal governance and structural processes and systems

This year has seen the re-forming of Board sub-committees into 3 key sub-committees reporting to the Board:

- Governance
- Finance
- Business Development

Further challenges lie ahead in particular:

- The closure of the Electrolux factory in 2015.
- The proposed introduction of the National Disability Insurance Scheme (NDIS)

It was very pleasing to relocate our Barrett Court operations to the new building at Forest Road in early 2014 with the official opening in April 2014. This relocation now provides significant opportunity by consolidating all operations to Forest Road resulting in significant cost savings and has brought all staff and supported employees together on the one site.

Wangarang continue to be reliant on local industry large and small and government authorities to support Wangarang. $\frac{1}{3}$ of our income is generated from government funding the other $\frac{2}{3}$ is generated from our existing customers in the Community, who assist.

I would like to thank Kevin McGuire and his team for their continued strong commitment and contribution to Wangarang. There is still more to be done to ensure Wangarang continues as a vibrant and viable enterprise. Whilst the ongoing financial viability of Wangarang is imperative, we can never lose sight of the reason for existence, that being the provision of services to people with disabilities in a caring environment.

It is our continued desire for the organisation to find new work for our factory-based employees. We encourage any local organisations to “Think Wangarang” when it comes to the services we provide.

On behalf of my fellow Directors and all associated with and benefiting from Wangarang’s services and operations, a sincere thanks to our dedicated employees, supporters, parents and carers for their commitment to Wangarang, a wonderfully important organisation to this vibrant community.

The official opening of the new building



Cutting of the Ribbon

Mayor John Davis, Hon. John Cobb MP, Andrew Gee MP, Hon. John Ajaka MLC, Mike Crowley and Kevin McGuire



**Wangarang employee
Marie Robinson
cutting the celebratory cake**



We had a very supportive attendance at the opening

GENERAL MANAGER'S REPORT

Kevin McGuire



It is pleasing to be able to report to the members, that despite a number of challenges that confront us, Wangarang continues to grow and achieve some wonderful outcomes for the people we employ as evidenced by the information reported below under the heading of "Human Resources".

The ability of our supported employees to adapt and achieve continues to amaze us all.

No matter what challenge we throw up at our supported employees, they have been equal to the task and as a result we have able to achieve some excellent results during the past twelve months.

The securing of the cleaning contract for the Trade and Investment building in Kite St Orange was a fantastic result. It was the first of its kind in the State and has set the framework and the benchmark for similar projects in other parts of the state.

The challenges that I mentioned above are many and varied, but none more challenging than the decision by the courts to find that the tool which we, and many other Australian Disability Enterprises (ADE), use to assess wages levels was not fair and that we cannot use it any longer.

The sector made an application to the Human Right Commission (HRC) for a three year exemption under the relevant section of the Disability Discrimination Act to give us time to develop a new tool. The HRC granted only a one year exemption.

This now means that we have to move to a new tool to carry out our wage assessment, because if we do not have measures in place before the exemption expires, we will be forced to pay much higher wages to our supported employees which would threaten the sustainability of Wangarang and many other ADEs.

Then we have the National Disability Insurance Scheme (NDIS). Whilst I still believe that the NDIS should provide better outcomes for people with disabilities generally, despite 12 months of trials in the Hunter Region, uncertainty still exists about how it is going to actually work in the ADE environment.



Abbey McGovern and Bonny Moon showing their work in Mail and Packaging

HUMAN RESOURCES

During the year we welcomed 9 new supported employees to Wangarang and have hosted school students from Anson St and Canobolas High schools for work experience.

BSI (a Quality Auditing Company) conducted the annual audit to verify the effectiveness and efficiency of the management system and to determine compliance of the system to the requirements of the National Disability Services Standards. Eight of the twelve Standards were reviewed with excellent results and positive feedback.

Department of Social Services Activity Performance Indicators show that Wangarang's average weekly wage and average hourly rate for supported employees exceed the state and national averages.

We are very pleased to report that thirteen supported employees who had their hours reduced and went into Wangarang's day program some time ago were given an extra day's work per week.

A feedback survey was conducted with supported employees, staff and families and carers and the results were very encouraging.

We have been successful in securing some workplace modifications and equipment through the Employment Assistance Fund for several supported employees.

In our Day Programs, at the end of June there were four funded clients participating in Life Choices and Active Ageing programs.

There were 10 of our supported employees participating in day program which is being funded by Wangarang and two of our clients who lived at Riverside moved to Bathurst.



The Woodwork Program and their wooden cars

We welcomed Brian Keighran and Ted Moon who joined John Hawkey in volunteering and assisting with a woodwork program. Participants have been making wooden toy cars for Operation Christmas Child, a project of Samaritan's purse. The cars are sent in gift-filled shoe boxes to needy children in over 100 countries.

The Day Program/Recreation room is more functional now that it is not doubling as the lunch room and we are awaiting repair to the roof before we carry out the renovations that were funded by Cadia Valley Operations last year. This will further enhance the functionality of the room.



**Susan Williams
HR Manager**

Training and Development at Wangarang has always been a key focus and this last year was no different with:

- TAFE continue to deliver units from Certificate I Access to Work and Training to 64 supported employees each year
- 8 supported employees are completing a Certificate II Cleaning
- 7 supported employees are participating in Horticulture training
- On the job & group training is also conducted with supported employees by Wangarang staff
- Wangarang staff have attended various training during the year including:
 - Eighteen staff attended Professional Boundaries Training
 - 5 staff commenced a Certificate IV in Disabilities
 - 5 staff attended a Managing Challenging Behaviour workshop

OPERATIONS

During the year we were able to achieve an extension of the Housing NSW maintenance contract until June 2015. This contract is the major contract that we hold for the lawn maintenance team.

During October to December, we undertook the assembly of 45,000 cherry boxes, a job that we are hopeful will continue during the 2014 cherry season.

Wine labelling and de-labelling continued to provide valuable work for our teams and during the year we relabelled 72 pallets of wine for Charles Sturt University as well as work completed for Phillip Shaw, Angullong, Printhe & Windowrie wineries.

In an attempt to provide more work for the textile area, we have commenced undertaking sewing alteration and repairs. Whilst the work in this area has not been all that consistent, it will provide opportunities for the textile team to learn some new sewing skills.

We have also commenced washing water bottles for “So Fresh Water” from Cudal. The bottles are being provided to the Cadia mine site and get covered with a film of dust that has to be removed before the bottles are sterilised and refilled. We are washing approx. 3,000 x 15 litre bottles each month.

We have acquired a large paper shredder that has enabled us to place locked bins in offices and we collect the bins when full and shred the paper in a secure environment for the businesses. Orange City Council, Aboriginal Medical Service and CareWest are some of the businesses currently using our service.

Cadia Valley Operations continue to be a major partner of Wangarang with commercial cleaning of the Orange Distribution Centre and the operation of the three laundries on-site at Cadia. We have also quoted to provide 15,000 oil sample kits for use on the mine site.

We continue to gain strong support from the local community with work being undertaken for Mark Colin Packaging, Visy Board, Food Week, Trade and Investment mail outs, JR Richards bin mail outs, Australian National Field Day site maintenance, CareWest mail outs and NSW Health to name a few.



Greg Pringle
Operations Manager

MARKETING

Over the past twelve months we have received an abundance of very positive media exposure for Wangarang. Local television, radio and print media coverage has been extensive covering Wangarang's events, milestones and social activities. This has once again helped to highlight the valuable work of Wangarang in the local community.

This year saw another successful golf event in the 4th Annual Wangarang Charity Golf Challenge on Friday the 28th March. We were unfortunately stuck with some less than perfect weather, but the rain didn't deter approximately 90 golfers from stepping onto the greens at Duntryleague for a great Ambrose event. Participants enjoyed a great game of golf, BBQ lunch, refreshments, presentations and some wonderful prizes donated by some very generous local businesses.



Tamara Pearson
Marketing & WHS Coordinator



Winning Golf team: Optimize Finance Group
with employee Kristie Bush.

We would like to thank the following businesses for their ongoing support: West Orange Motors, Orange City Council, Pigot Miller Wilson, Whittaker Contracting, Bendigo Bank, Chemart Pharmacy, Cromfords Group, Anittel, Emjay Insurance, Matrium Financial Services, Printhe Wines, Angullong Wines, Gleneagles Millthorpe, Astley Mobility, ANZ, Pattinson Financial Services, First Choice Credit Union, On the Move Physiotherapy, Ultratune Orange, Odeon 5 Cinemas, Racine Bakery, Lolli Redini, Blowes Menswear Orange, Mitre 10 Orange & Woodward St Quality Meats.

By all accounts, the day was a great success with sponsorships, donations and players registrations allowing this to be noted as our biggest golf event to date and we are pleased to announce we raised over \$13,000 in much needed funds. This year's profits were used to purchase new High Visibility safety uniforms for Wangarang's employees.

We also attended the 2013 Australian National Field Days and the Electrolux Orange Jobs Expo. We also took part in the coordination of and attended the 2013 Central West Disability Expo.

Wangarang celebrated the official opening of our new building facilities on Friday the 2nd of May. These facilities were officially opened by Minister for Disability Services, the Hon. John Ajaka MLC, Federal Member for Calare, the Hon. John Cobb MP, Member for Orange Mr. Andrew Gee MP and Mayor of Orange, Mr. John Davis.

Wangarang gained some extensive media exposure over the event with Prime7 and WIN news both running informative and positive news stories about Wangarang and their support



Golfers on course at Duntryleague Golf Club

to the local community. The Central Western Daily and Orange City Life also showcased our event through editorials and pictures on the social pages.

Support was also very positive from our Federal Member: "I commend the work Wangarang does - they are a great asset for our local community. This opening is also a great reminder to local businesses that Wangarang can provide numerous services to assist their operations," Mr Cobb said.

Wangarang applied to the Orange City Council in May to be a part of the Great Moscow Circus City of Orange Charity event. Our application was successful and along with Camp Quality, Cancer Council and the Special Olympics we set out to sell tickets to the event held Wednesday the 18th June 2014 under the big top in Jack Brabham Park. Wangarang proudly generated approx. \$1700 from the events ticket sales.

We are proud to announce that Wangarang have been nominated for the Banjo Business awards. Run by the Orange Business Chamber, we are very proud to be a finalist in the Excellence in Community Services category. Thank you to everyone who voted for us. Keep posted for further details.



Employees Nicole Gordon, Matthew Lawson, Glenda Payne and Jeromie Zelukovic cooking the Golf day BBQ

IN CONCLUSION

I would like to take this opportunity to thank all our Board. I truly believe that Wangarang is so fortunate to have such a diverse, knowledgeable and professional board and we would be the envy of many Not for Profit organisations.

To our staff, it is said that you are only as good as the people that surround you. That being the case, we must be very very good.

To our supporters, including; parents, carers, volunteers, donors, sponsors, local businesses and members of the local media who have helped us throughout the past year, without you, it would be almost impossible to create opportunities and actively support people to make the most of their abilities.

DELEGATE'S REPORT

Sadly Bill Wells passed away in January, 2014. It was decided not to replace him as Pinnacle and Wangaragang were combining locations. Jeremy Gates moved away and Ben Carmen was elected as his replacement. Georgina Brogden was chosen as the delegate for textiles as they previously had not been represented.

Delegates attended meetings with the General Manager and Human Resources Manager each month to discuss what was happening at Wangaragang, reported back to supported employees through Information Sessions. They also supported employees to raise issues with Management.

Delegates assisted with the introduction of new uniforms for the supported employees. Held various successful fundraisers such as Footy Colours Day, Biggest Morning Tea, Easter Raffle. The Christmas Party again was very successful. A special Guessing Competition was held where supported employees had to guess when the new building work would commence.

The delegates are very thankful for the support they receive from the management and staff; they feel it is a very good working relationship.



Forest Rd: David DeRooy & Carol Walker



Recycling:
Joseph Martin



Gardening: Jeremy Gates/Ben Carmen

YEARS OF SERVICE AWARDS

15 Years of Service

- Anthony Wan Lum
- David DeRooy
- Joel Everett

10 Years of Service

- Mark Harris
- Darren Walters
- Robert Fowler
- Donna Holland
- Emma Hatswell
- Philippa Jackson
- Scott Kitching
- Glen MacKenzie



Textiles:
Georgina Brogden



Assembly: Richard Davis and Vale Bill Wells

WANGARANG'S FINANCIALS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
TRADING ACCOUNT		
Sales	1,902,398	2,206,708
Less: Cost of Goods Sold		
Opening Stock	37,260	59,653
Consumable Expenses	82,309	118,001
Freight & Cartage	333	2,434
Closing Stock	(40,371)	(37,260)
	<u>79,531</u>	<u>142,828</u>
Gross Profit from Trading	<u>1,822,867</u>	<u>2,063,880</u>
OTHER INCOME		
Interest Received	11,705	10,982
Lifestyle Lottery	-	10,920
Miscellaneous Income	15,291	33,826
Golf Day Sponsorship & Tickets	14,987	12,034
Donations Received	11,724	13,706
Profit on Sale of Asset	8,431	578
Total Other Income	<u>62,138</u>	<u>82,046</u>
SUBSIDIES ALLOCATED (FUNDING)		
Recurrent Funding	1,437,155	1,334,400
Workplace Modification	7,535	-
Funding Received Day Programs	124,314	115,511
JobCover Placement Program Incentive	27,400	-
Other Grants	5,000	3,545
	<u>1,601,404</u>	<u>1,453,456</u>
Total Subsidies Allocated (Funding)	<u>1,601,404</u>	<u>1,453,456</u>
Total Income Less cost of Goods Sold	<u>3,486,409</u>	<u>3,599,382</u>
SUPPORTED WAGES		
Supported Wages Paid	790,690	805,676
Annual Leave Accrual	75,006	76,094
Long Service Leave Accrual	10,180	9,665
Sick Leave Paid	24,030	24,576
Superannuation	83,566	84,484
Total Supported Wages	<u>983,472</u>	<u>1,000,495</u>

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
DIRECT LABOUR		
Other Direct Labour Paid	1,406,587	1,573,469
Annual Leave Accrual	130,391	143,346
Long Service Leave Accrual	17,334	16,331
Sick Leave Paid	38,335	31,777
Superannuation	130,524	136,069
Total Direct Labour	1,723,171	1,900,992
OTHER EXPENSES		
Advertising	18,001	26,046
Audit Fees & Accounting	28,400	13,561
Bad Debts	-	176
Bank Charges	4,231	5,211
Building Repairs & Maintenance	11,221	2,699
Cleaning Materials	5,993	5,263
Consultant Fees	-	9,182
Depreciation	106,576	105,400
Donations	-	300
Electricity & Gas	37,067	38,873
Equipment Hire	2,873	2,991
Equipment Repairs & Maintenance	52,158	68,817
Forklift Expense	2,411	2,080
General Expenses	-	50
Insurance - General	30,974	28,477
Insurance - Workers Compensation	52,555	53,980
Interest Paid	18,080	21,321
Legal Fees	1,170	523
Loose Tools	21,875	13,057
Motor Vehicle Expenses	95,967	103,362
OCC Profit Share Expense	(1,468)	1,615
Postage	5,327	2,454
Printing & Stationery	14,774	14,766
Rates	3,855	6,457
Rent	35,146	32,328
Safety Equipment	24,296	8,246
Security	1,966	2,347
Staff Amenities	19,491	16,311
Staff Recruitment & Training	20,090	36,302
Strata Levy Expenses	-	3,138
Subscriptions & Registrations	6,154	7,076
Telephone	20,795	25,039

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
Travel & Accommodation	8,511	8,432
Waste Removal	6,332	6,291
Total Operation Expenses	<u>654,821</u>	<u>672,171</u>
TOTAL EXPENSES	<u>3,361,464</u>	<u>3,573,658</u>
NET PROFIT/(LOSS)	<u>124,945</u>	<u>25,724</u>
 OTHER COMPREHENSIVE INCOME		
Decrease in asset revaluation reserve	-	-
Transfer of Asset Revaluation Reserve to Retained Earnings	(7,844)	2,826
Transfer of Retained Earnings to Asset Revaluation Reserve		(2,826)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO MEMBERS	<u>117,101</u>	<u>25,724</u>

**BALANCE SHEET
AS AT 30 JUNE 2014**

		2014	2013
CURRENT ASSETS			
Cash and cash equivalents	2	306,837	743,236
Trade and other receivables	3	325,125	291,655
Inventories	4	40,371	37,260
Other current assets	5	18,322	12,276
TOTAL CURRENT ASSETS		<u>690,655</u>	<u>1,084,427</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,026,190	1,473,665
TOTAL NON-CURRENT ASSETS		<u>2,026,190</u>	<u>1,473,665</u>
TOTAL ASSETS		<u>2,716,845</u>	<u>2,558,092</u>
CURRENT LIABILITIES			
Trade and other payables	7	228,040	235,089
Financial liabilities	8	69,636	48,243
Provisions	9	474,624	440,407
TOTAL CURRENT LIABILITIES		<u>772,300</u>	<u>723,739</u>
NON-CURRENT LIABILITIES			
Financial liabilities	8	218,110	226,091
Provisions	9	25,364	24,292
TOTAL NON-CURRENT LIABILITIES		<u>243,474</u>	<u>250,383</u>
TOTAL LIABILITIES		<u>1,015,774</u>	<u>974,122</u>
NET ASSETS		<u>1,701,071</u>	<u>1,583,970</u>
EQUITY			
Retained earnings		1,701,071	1,583,970
TOTAL EQUITY		<u>1,701,071</u>	<u>1,583,970</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	Asset Revaluation Reserve	Retained Earnings	Total
Balance at 1 July 2012	607,853	950,393	1,558,246
Comprehensive Income			
Surplus / (Deficit) for the year	2,826	22,898	25,724
Balance as at 30 June 2013	610,679	973,291	1,583,970
Comprehensive Income			
Surplus / (Deficit) for the year	(7,844)	124,945	117,101
Balance at 30 June 2014	602,835	1,098,236	1,701,071

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,926,606	2,267,255
Grants received and bequests	1,585,728	1,467,162
Interest received	11,705	10,982
Payments to suppliers, divisions and employees	(3,315,336)	(3,597,237)
Net cash provided by operating activities	16 208,703	148,162
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of property, plant and equipment	19,470	549,942
Purchase of property, plant and equipment	(677,981)	(177,016)
Net cash provided by investing activities	(658,511)	372,926
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings to purchase equipment	61,794	104,334
Repayment of borrowings	(48,385)	(72,132)
Net cash provided from financing activities	13,409	32,202
Net increase (decrease) in cash held	(436,399)	553,291
Cash at beginning of year	743,236	189,945
Cash at end of year	2 306,837	743,236

WANGARANG'S BOARD OF DIRECTORS



Mike Crowley



Gary Norton



Christine Hannus



Donna Galvin



Michael Seccombe



Tony Boland



John Dumbrell



Michael Whiteley



Mark Blume



Brett Herbert



Sue Bentley

About Wangarang

Wangarang Industries is a not-for-profit Australian Disability Enterprise (ADE), established to provide a range of job opportunities and vocational and life skills training for people with disabilities.

Wangarang has been operating in the local community of Orange NSW for over fifty (50) years, having been established by a group of dedicated local residents in 1962. Over the years Wangarang has diversified to offer a wide range of job opportunities to our supported employees, and a wide range of business services to the community in general.

Life Choices and Active Ageing

These programs aim to develop and maintain the participants' ability to take part in community life and meaningful activities, enhance independence, provide opportunities for ongoing learning and development as well as developing and sustaining social interactions.

Wangarang's Services

Document scanning and shredding

Conversion and indexing, file deconstruction, OCR character referencing, secure shredding, recycling, storage, pickup and delivery.

Bulk mailing and packaging

Small and large volume print runs, collation and insertion, heat sealing products and packages, mail-outs, bulk mail processing and lodgement, binding, de-labelling and labelling.

Gardening and lawn maintenance

Major clean-ups, slashing, mowing, tree/shrub pruning, leaf removal, weeding, spraying, planting and landscaping.

Textile production and repairs

Linen repairs, production of special purpose and promotional bags, one-off custom jobs, industrial rag products (towelling, blanket, sheeting)., sewing alterations and repairs

Manufacturing and assembly

Contract assembly, component assembly, customised production, in-factory assembly lines and mobile crews.

Commercial cleaning

Offices, factories and workshops, window cleaning, post event clean-up, rubbish removal.

School visits, work experience & volunteer opportunities are available.

Contact Us

1635 Forest Rd, ORANGE NSW 2800 ~ PO Box 8133, ORANGE NSW 2800

02 6365 6500

www.wangarang.com.au ~ admin@wangarang.com.au