

Bringing  
*quality*  
to *life*





# Vision

Seamless integration into the community.

Merriwa seeks to continue the pursuit of its vision of “seamless integration in the community” for its consumers via quality partnerships with customers that provide all with substantial and rewarding benefits.

Seamless Integration means:

- Each person with a disability or significant disadvantage is empowered and skilled sufficiently to reach his or her maximum potential.
- Employment conditions for people with a disability or significant disadvantage are comparable to the rest of the community wherein economic relativity is achieved for skills attained.
- People with a disability or significant disadvantage ought to be able to exercise choice and make their own decisions about matters that affect their lives to the maximum extent possible.
- People with a disability or significant disadvantage are treated with dignity and respect and enjoy valued status in the community.
- People with a disability or significant disadvantage are encouraged and supported to participate in the community and living outside of the Merriwa environment to the extent that they seek.
- People with a disability or significant disadvantage value their involvement with Merriwa extremely highly. We encourage and facilitate other sectors of the community to engage and to ensure maximum potentials are achieved for the people we serve.

# Mission

Providing outstanding employment and life skill opportunities that reward customers, clients and community stakeholders.

# Values

## Prosperity

To ensure a culture of success and mutuality in our provision of products, contracts and services

## Responsibility

To ensure we are a valued and respected corporate citizen and that we undertake our affairs in a careful, controlled and dependable manner

## Integrity

To ensure we act honestly and ethically at all times, working to prescribed International Quality Standards

## Diversity

To ensure we respect diversity in people and that we celebrate diversity within our own operations as being a key to our past and future success

## Excellence

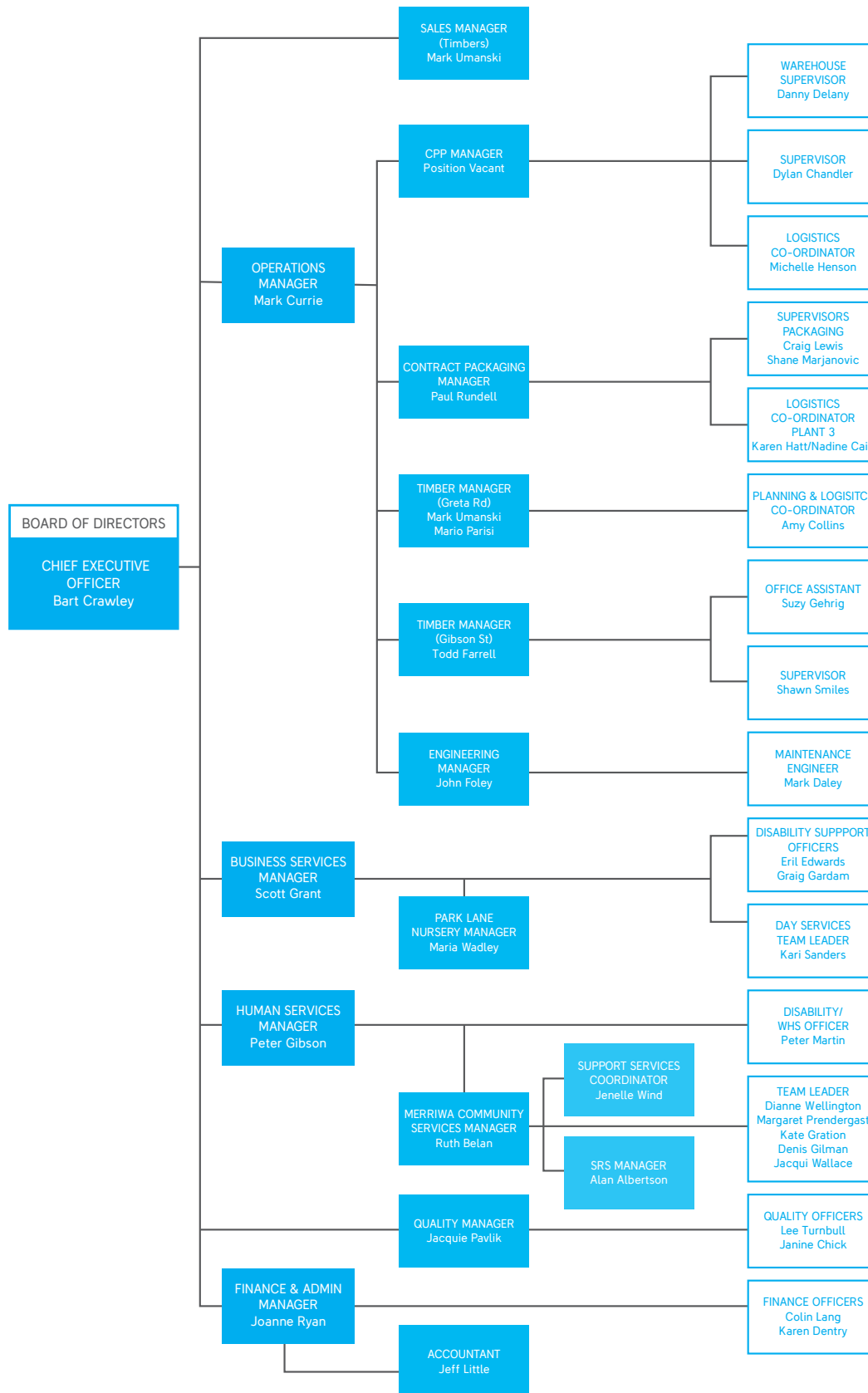
To ensure that we do not accept mediocrity in anything we do, we will always strive for excellence

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# Organisational Chart





# Chairman's Report

Quoting George Bernard Shaw, former Australian Prime Minister, the late Malcolm Fraser once memorably said "life wasn't meant to be easy...", but what the media at the time failed to report, was that his words were a shortened version. George Bernard Shaw's version went on to say "... but take courage child, for it can be delightful".

That piece of wisdom from the bard, in my mind, provides an analogy that helps describe the challenges and rewards associated with being a director of a large social enterprise that is Merriwa.

2015/16 saw Bart and his talented management team continue the journey of restructuring the organisation for the future. It wasn't until the very end of that period that we were able to see the "green shoots" of success.

To get to this point, however, was not easy and difficult decisions had to be made by the Board; sections of the business that were causing an unviable financial drain on the organisation had to be closed/sold and some staff became redundant, to ensure the stability and sustainability of the broader organisation into the future.

However challenging those decisions were, I, and I am sure I speak on behalf of my Board colleagues, am "delighted" to be of service to a great organisation that:

- Provides satisfying and meaningful employment to more than 250 people, and over 30% (80 people) of staff have a registered disability and make an enormous contribution to the character of our social enterprise

- Provides opportunities for all staff to participate in a universally loved and embraced celebration of success at our annual awards event
- Recognises the importance of its members past and present and acknowledges outstanding contribution by naming awards in their honour
- Prioritises safety, quality, learning and role clarity throughout its operations
- Reaches out, engages with and provides support for many individuals in our community
- Understands that people matter, so when we had to close Delany Manor, all residents were moved to a place at their choice with zero complaints in the process.

In closing, I would like to acknowledge and thank:

- Our CEO Bart Crawley and his dedicated management team for their dedication and resilience
- Customers, Contractors, Partners and Federal/State/Local Government – we appreciate your support
- Colleague Board members for guidance and support; a special farewell to Ray Byrne who recently passed away after more than 20 years of Board service
- Merriwa members past and present who have helped make Merriwa great.

Danny O'Donoghue  
Chair



# Chief Executive Officer's Report

As Merriwa prepares for the introduction of the National Disability Insurance Scheme, a long-term outlook and careful planning are required to ensure the company is sustainable into the future.

In the past year, excellent outcomes have been delivered across a range of essential functions, including training, marketing, safety, systems and people.

However, despite these achievements, Merriwa's financial performance has been significantly undermined by several business divisions which no longer complement Merriwa's suite of integrated community and business services. In fact, all but one division struggled to deliver planned financial outcomes.

In response, the Board have reviewed Merriwa's current assets and strategic intent. The outcome of the review resulted in the difficult, but necessary, decision to discontinue Merriwa's SRS in Bright and divest timber joinery business, Superior Joinery.

Merriwa's future is incredibly exciting – but there is much work to be done and no time to waste. Underwritten by solid strategic investment decisions in 2016, Merriwa has forecast a modest profit for 2017.

My sincere thanks to our Chair Danny O'Donoghue, Merriwa's senior management team and each and every one of our staff for your dedication and hard work throughout the year. With a commitment to continuous improvement and passionate, talented team delivering our services, Merriwa's future will be underpinned by robust, sustainable, social and financial outcomes.

Bart Crawley  
Chief Executive Officer

# Community Services

Within all divisions of our ADE, our supported employee numbers remained stable throughout the year with 95% our outlet capacity being filled.

In May we undertook our third party Disability Services audit against the six National Standards for Disability Services. We were able to demonstrate many continuous improvements and were provided with further opportunities for improvement. This year we introduced our new Client Management System, Supportability. This new system captures a significant amount of information pertaining to the support we provide to service users, critical staffing information and has the ability to link into the NDIA payment portal in readiness for the roll out of the NDIS in our area in October 2017.

The Competitive Systems and Practices (LEAN) training continues for supported and non-supported production workers including supervisors and managers with positive results including, safer work practices, increased production and an increase in supported employee wages.

The Supported Employee Advisory Committee (SEAC), commenced this year and the members are making valuable contributions for the betterment of their colleagues and the organisation as a whole.

Merriwa Community Services (MCS) continues to provide a range of services. In February we announced the intention to close Delany Manor in Bright. A plan was developed to ensure consultation remained open with all those affected. 17 residents were relocated to other services in the state. Merriwa Grove provided placement for 6 residents and is now close to capacity. A special mention to Alan Albertson, SRS Manager who worked extremely hard to ensure the plan remained on track and that clients wellbeing remained paramount.

Our shared supported accommodation in Cruse St provides quality support to residents.

Facility based respite continues to be a challenging space having to balance targets, demand and limited funding. We have now developed an annual calendar to advise service users when we are open for service and when we have planned closures. This does remain flexible to meet the needs of respite users

Unfunded out of home care continues to provide safe, supportive accommodation across 3 units. We also manage and support 4 Targeted Care Packages in the local area, assisting young people to prepare for independent living and also assisting others in their home environment. In November Jenelle Wind joined the team to provide additional residential support and coordination, and has settled in to the position well.

Residential Support staff had done a fantastic job supporting vulnerable people over the past 12 months and we thank them for their ongoing commitment to Merriwa and the people they support.

As the result of an intense third party audit and a number of Statewide unannounced audits with DHHS, we have undertaken a full review of policies and procedures and have developed systems to ensure we remain on top of our game and strive for best practice.

All in all it has been a challenging yet rewarding year, we now look forward to the year ahead with optimism and a spring in our step.

Finally I wish to thank all of the Merriwa team for their ongoing commitment and cooperation.

Peter Gibson  
Human Services Manager





# Operations

## Training across Commercial divisions

Continuing with the roll out of the manufacturing training program for all staff, enabling them to gain a Certificate level accreditation, from a Certificate 1 through to 4, there has been a strong focus on embedding lean practices as part of our culture.

Our team have focused on the barriers impacting production, to identify the root causes of not meeting target efficiencies which has delivered more consistent production outcomes.

Managers are now working with informed data via systemised production reports, allowing the business to measure efficiencies, cost, and track against planned targets.

## Timbers Division

The past year has seen Timbers transitioning from an old style production facility, manufacturing timber products that Merriwa could no-longer produce at a cost below the market price, to a new business model producing high value timber products. Unfortunately this resulted in significant financial loss.

With the division being a key employer of supported staff, it was important we continued production whilst at the same time transitioning into new timber products, namely Engineered Wood Products.

The division was restructured in the second half of the financial year, through the re-positioning of machinery to improve efficiencies, reduce double handling and improve safety. This was further supported by the purchase of a new finger jointer (replacing an old machine manufactured in the early '80s) which has brought about a significant improvement in production of our current suite of products.

Overall we have achieved improved workflow, efficiencies, a broader product range, and improved resource utilisation, all of which will deliver a more sustainable social enterprise model.

Implementation of the TIMMS system was finalised at our Gibson street facility in late 2015. The TIMMS inventory management system has enabled us to manage more accurately and efficiently, data for timber manufacturing, warehousing and sales. The same software is planned for roll out in July at our Greta road facility.

## Packaging

Significant effort has gone into the implementation of LEAN processes to improve workflow and efficiencies within the packaging division. Some of the works undertaken have included -

- Clear walkways.
- Segregation of pathways for product movements.
- Allocated areas for pallets.
- Improved safety.
- Shadow boards – 5S.
- Documentation on processing for each product.
- Delegation of duties to enable managers to manage.

## Contract Packaging and Processing

The Contract Packaging and Processing division has seen some changes but not so much at the operational level, these include:

- Dual responsibility with Woolworths in raw material and production planning. There is an aim to develop production forecasts looking 6 months in advance.
- Growth in ALDI products.
- Trials completed for export product of Australian Sultana's to China in various size packs.
- Quality assurance registrations of BRC & WQA have been maintained at the highest of levels. These certifications are constantly changing and CPP have demonstrated they are improving and performing at the highest quality standards.

## The Future

The New Year will see the training complete with all personnel having the opportunity to progress through the certificate levels they feel comfortable doing. During the last 6 months we have introduced a management tool known as Improvement Kata. This program aims to change the way we approach our work, always looking for ways to improve our processes and having the confidence to try. There has been a fundamental shift in the way we tackle improvements at the factory floor level.

Timbers have rationalised the products it manufactures and re-structured the factory dividing each stage in the production process into individual lines. Each line focuses on its core activity, led by their line leader. This will assist the quality of process and products. With new timber products on the horizon, the next challenge in the rebirth of Merriwa Timbers is not far away. With TIMMS software now implemented at both sites this will see better capture of critical data, and an ability to have greater control.

Packaging also has some new opportunities with Woolworths, that will see investment in new equipment complementing the existing machinery. With the changes at Woolworths, new packaging will start to be rolled out in February / March 2017, in accordance with mutually agreed plans. With a production plan projecting six months this will give a better understanding of all requirements, staff, maintenance planning, and JIT inventory purchasing.

The coming year is going to be very exciting. The team at Merriwa are now well equipped to meet and deliver the exciting opportunities ahead.

Mark Currie  
Operations Manager



# Business Services

After a year of review in 2015, the 2016 year has seen significant behind-the-scenes changes at Merriwa, as we embark on our journey of systemisation across the whole business.

Our Marketing and Communications strategy has seen the Merriwa brand, and the values and principles that underpin our brand, become very recognised across all of our stakeholder groups. We will continue on this journey over the coming year, working with Brand Bureau to focus on developing long term strategies and plans for advertising, marketing and social media platforms.

We have undertaken full reviews on our insurance, risk management and compliance strategies. This process included a comprehensive review and valuation of all the Merriwa assets. Correct understanding of our risk & insurance ensures that stakeholders attached to any of our operational divisions are duly and adequately insured or indemnified.

System changes that have been developing over 2016:

- Supportability – Client Information Management System; includes our OH&S Incident Reporting.
- TIMMS – Our Inventory and Production control system within our Timber divisions. Fully operational at Gibson Street, and ready to roll-out at Greta Road.
- Sage EVO – Procurement control module to ensure people are purchasing within their designated authorities.
- IT administration – Using a 3rd party for all IT support & tracking.
- HR3 – Using the 'Kiosk' to process electronic time sheets.

Using a considered approach to these changes, small wins each time will lead to reduced administration, greater accountability and more relevant and compliant information.

The NDIS for the Hume region is just on a year away, October 2017. As more information becomes available from NDIS sites that have already transitioned, we will develop all relevant systems to ensure smooth transition for clients.





# Financial Report

Over the past 12 months there has been a concerted effort by Board and Management to ensure Merriwa is positioned to maintain future sustainability.

This work has seen major change, restructure and additional resourcing in all of our divisions. This change has been the key impact to our operational result, however it is imperative to our future success.

The key areas that impacted on our financial results include:-

Delany Manor (Bright) – due to the inability to maintain full occupancy and the resulting loss of \$210,000 it was agreed that we had to close the site. This was done after full consultation and ensuring resident's accommodation was guaranteed with other providers.

Greta Road Timbers – A full analysis of products, processes and waste was performed with the final result being a reduction in products and a full restructure of the site including the purchase of much need equipment. We are confident these changes will result in a turnaround of losses of \$1,272,000 to a breakeven result next year.

Gibson Street Timbers – Streamlining processes and new management will turn around a loss of \$510,000 into profit making division next year.

Superior Joinery – Board and Management acknowledged that this division could no longer sustain the high corporate costs and the downturn in sales, along with limited employment opportunities for people with a disability. Superior Joinery was purchased by the Manager who is keen to continue as a small business owner. This will stem losses to Merriwa of \$332,000

Whilst implementing change and restructure has impacted dramatically on our trading result this year, it only strengthens our direction for future success.

Merriwa Industries needed to change and reorganise how we worked to become more agile and more strategic in our focus. We work in a very competitive environment and these changes gives us the opportunity to flourish by leveraging our reputation earned over the last 40 years. Merriwa has a long history of supporting the community with the services provided and employment offered.

The new structure has been implemented to ensure we have the capability over the next 5 years to focus on supporting our service delivery and operations.

## Objectives

- Build internal competencies – build the capability and capacity of Merriwa people, systems, equipment and processes in readiness of continued growth
- People – recruit, retain and further develop the highest calibre of people to deliver outstanding service and relationships
- Sustainability – ensure the core businesses maintain viability and profitability

The highs far outweigh the lows when you review all the changes that have been implemented over the past 12 months, and even though challenges have been difficult the prospect for Merriwa in the future is looking exciting.

Jo Ryan  
Finance Manager





# Annual Awards

## Jack Lyle Award for Achievement

This award is not just for achievements at work, although learning new work skills and mastering new processes are certainly good reasons for a nomination. People can achieve personal growth which in turn benefits their work for example, overcoming obstacles, bearing bad habits etc. This award is open to supported employees only.

### BRENDAN HIGGS



Brendan has worked at Merriwa since September 1993. During this time he has worked primarily at Greta Road Timber Division where he has continually improved on his skills.

Brendan always brings a positive attitude to his work, and personal life. Brendan has been an inspiration to many of his work

colleagues for his ability to maintain such a positive and upbeat attitude whilst recovering from a brain tumor.

Here are some comments made by Brendan's co-workers during the nomination process:

"For pushing through all of his health/personal problems and still finding the motivation to come back to work and work just as hard as he was before".

"Brendan has bounced back with such enthusiasm and spark!"

"He stands up and gets actively involved in toolbox meetings".

"He takes pride in all his work, always willing to take on new jobs and learn new skills, he also has respect for all other employees and management".

"For overcoming a serious health issue and getting back to life and work better than ever".

## Mary Sanders Award for Enterprise

This award recognises initiative and new growth. For example learning completely different work skills; taking on WHS responsibilities; using the telephone to communicate. The drive recognized in this award comes from the employee him/herself. This employee is taking on extra duties without being asked, to challenge themselves and taking the lead in learning new skills. This award is open to supported employees only.

### BETHANY WILLIAMS-KOCH



Bethany commenced in Contract Packaging Division in September 2012. Since starting Bethany has continuously improved on her skills, covering cakeboards, working on other various Lines and now undertaking quality check's and completing the paperwork.

Bethany is always happy to give a lending hand to her fellow work mates where she can. Because of Bethany's "have a go" she is a very deserving winner of this award.

As a tribute to Bethany's and her work, here are some comments from her co-workers:

"Bethany has become more confident and has taken on more responsibility with doing paperwork for quality checks".

"She is learning new skills and going around doing checks on all the lines as well as becoming more confident with her work".

"Bethany looks at her responsibilities with a very good attitude".

"Always happy to do anything, will give anything a go and takes on new jobs quite well".

"Always bringing forward any problems she sees".

"Bethany has come a long way and is taking on new skills like doing the hourly checks and is improving daily".

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## Graham Gales Endeavour Award

This award recognizes someone who has grown in their personal development. For example, they are self-motivated, has empathy for their fellow employees, demonstrates enjoyment of their roles, has grown as a person, is prepared to go the extra mile, is prepared to try new skills, demonstrates respect towards their supervisors/managers and takes instructions in a positive manner. This award is open to supported employees only.

### JASON HOCKING



Jason started at Park Lane Nursery in March 2003. He is very well liked and respected by his co-workers and his skills and knowledge of plants and the nursery is excellent. Jason is courteous, respectful and has a very approachable manner.

Jason is an active member of the WHS Committees which he takes very seriously. He is always actively seeking input from his fellow workers to ensure they are fairly represented. Jason takes great pride in his role at the nursery and is a key team member when it comes to mentoring and development of other employees.

As a tribute to Jason and his work, here are some comments from his co-workers:

"Jason's communication with everyone that he encounters is always friendly and respectful".

"He has an exceptional work ethic, high quality expectations".

"Jason treats all employees with respect and good humour".

"He has incredible energy and many employees look to Jason for guidance".

"He is very approachable and is able to find tasks and/or roles to suit every employee to further develop their skills".



# Annual Awards

## Hugh Elford Award For Excellence

This award recognizes exceptional role-modelling and/or mentoring skills in the workplace. People nominated for this award will have strong interpersonal or “people” skills, and lead by example at work and in life in general. Many Excellence Award nominees will have made a valuable contribution to the community. This award is open to all employees.

### KAREN COLLISON



Karen commenced work at Merriwa in December 2003 working within Contract Packaging. Karen is hard working, reliable and motivated worker. Karen’s quiet, unassuming and helpful nature sees that she is well respected and liked by her fellow workers.

Karen with her “have a go attitude” enables her to work on most lines in Contract Packaging and in the Food Rooms of CPP. Karen is very patient and attentive person when dealing with supported employees who love to talk with her.

Here are some comments made by Karen’s fellow work colleagues:

“Karen helps me out and I like to do a task that Karen asks me”.

“Karen is good at explaining the work”.

“Karen listen’s to me very well”.

“Karen makes people feel valued and required”.

“Karen is understanding and I get on really well with her”.

“Karen is helpful and keeps on top of things and a good worker”.

## Merriwa Award For Quality

This award is for outstanding professional workmanship or outstanding customer or client service. Nominees for this award will have met or exceeded quality-related targets, and will have added value over and above what is reasonably required of them. Quality Award nominees have made a valuable contribution to company objectives. This award is open to all employees.

### ERIN ROSS



Erin returned back to Merriwa Contract Packaging in February 2014 as a casual employee. With Erin’s work ethic it didn’t take long before he was promoted to a permanent position of Line Coordinator.

Erin has grasped every challenge set before him with both hands within Contract Packaging. With

Erin’s eagerness to succeed he has always maintained his compassion, understanding and respect towards all his fellow colleagues.

In support of Erin’s nomination here are some comments from workmates:

“Erin is the most likeable person here who fits the perfect definition of “don’t judge a book by its cover”.

“Erin always does beyond his role to make sure the day to day running of tasks go well”.

“Erin leads by example and is willing to go out of his way to help wherever he can in or outside of work”.

“Is hard working, very helpful at showing people what to do”.

“Erin works hard and helps me out when I need help”.

“Erin’s all round attitude is exceptional”.

# Years of Service Awards

## 25 Years

### ROSS SCHULZ

Ross started back in October 1990 when Merriwa was known as Pelican Products. Ross worked for many years in the Timber Division manning the Docking Saw until he was transferred to Contract Packaging where he now enjoys working on the production lines. Ross's attendance has been excellent throughout the years. Well done Ross, 25 years of continuous service is outstanding achievement.

## 20 Years

### MARK BORRINGTON

Mark commenced work with Merriwa in January 1996. After successfully completing a work placement program Mark has worked over a number of Merriwa's divisions since starting and is currently working at CPP in the warehouse. Thank you Mark for 20 years of valuable service.

### ALEX TANCONTIAN

Alex has been employed with Merriwa Industries since June 1996. Alex has been a loyal, kind and considerate employee and is well respected by his fellow colleagues. Thank you Alex for 20 years of continual service and we look forward to many more.

## 15 Years

### TANYA BERGER

Tanya started employment with Merriwa in October 2000 in Contract Packaging/Cakeboards Division. Tanya is very familiar with all the process's within Cakeboards and understands many of the other lines of production. Thank you Tanya for 15 years of continual service and we look forward to many more.

### SHANE MARJANOVIC

Shane has worked at Merriwa since November 2000 where he has worked solely within Contract Packaging Division. During his employment Shane has been a real asset to this division with running afternoon shifts when requested and his attendance has been outstanding. Well done Shane and thank you for 15 years of service.

### SHANE MOORE

Shane commenced on 18th April 2001, working in the Community Services Division. Shane has worked in all aspects of Community Services including taking on a Team Leader role for some time. Your contribution to Merriwa is greatly appreciated. Congratulations and thank you for so many years of continual service.

### ALLEN SKINNER

Allen has worked at Merriwa since January 2000, working in the Maintenance Department. Allen does a fantastic job maintaining the gardens/lawns across all of Merriwa's divisions including Community Services properties. Thank you Allen for all your hard work over the years.

## 10 Years

### JENNIFER JACKSON

Jenny started employment with Merriwa in April 2006 in the Community Services Division. Jenny's kind, friendly nature has ensured she is well liked with both clients and staff. Thank you Jenny for 10 years of continual service.

### MARIA WADLEY

Maria commenced with Park Lane Nursery in June 2006. Starting as the Nursery Supervisor, Maria now holds the role of Divisional Manager and has driven the retail transformation of the business. Maria's commitment to social outcomes for Park Lane employees & clients is passionate and unwavering. A wonderful 10 years of service.

# Retirement

### CHRISTINE ROBINS



Christine commenced at Merriwa Industries in January 2005 working within the Contract Packaging Division until her retirement in February this year.

Christine loved coming to work and was very comfortable with what tasks were assigned to her. Christine loved working with

her fellow colleagues, she was always cheerful and ready to have a chat.

Christine you will be able to enjoy more time on those holidays you enjoy so much. We hope to see you drop in every now and then and catch up with your friends. Thank you for all your hard work, it has been a pleasure working with you.







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