



Merriwa
Bringing *quality* to life


Merriwa
COMMUNITY
SERVICES


Merriwa
PACKAGING


Merriwa
TIMBERS


Park Lane
nursery and garden centre



144 Greta Road, Wangaratta VIC 3677

P: 03 5722 7600

E: info@merriwa.org.au

www.merriwa.org.au

Merriwa acknowledges the support of the Victorian Government and Federal Government



Merriwa
Bringing *quality* to life

Annual Report
2019/2020

www.merriwa.org.au



Our Dream:

We are part of a future where people of all abilities reach their potential and they feel respected, happy and confident

Our Purpose:

We provide an environment which encourages people to reach their potential while delivering quality products and services to our customers and clients.

Our Values:

The Merriwa team has shared values which result in taking PRIDE in our work and our role in supporting our community;

Prosperity

We are prosperous and successful in the provision of our products and services, and having a positive working environment.

Responsability

We treat the Merriwa business like it is our own

Integrity

We are honest, ethical and work to high standards

Diversity

We acknowledge that every person has different abilities and we welcome, accept and celebrate our differences

Excellence

We are committed to being the best we can be, everyday, as we serve our clients and our customers

Contents

| | |
|---------------------------------------|-------|
| Board of Directors & Management | 4 |
| Chairman's Report | 5 |
| CEO's Report | 6-7 |
| Merriwa Packaging | 8-11 |
| Merriwa Timbers | 12-13 |
| Merriwa People Operations | 14-17 |
| Merriwa Quality & Safety | 18-19 |
| Park Lane Nursery | 20-21 |
| Community Services..... | 22-23 |
| Financial Report..... | 24-25 |
| Service Awards..... | 26-29 |
| Community Connections..... | 30-33 |

Board of Directors:



Danny O'Donoghue
Chair



John Joyce
Deputy Chair



Joe Caruso
Treasurer



Libby Hosking
Director



Craig Thorp
Director



Chris Cunningham
Director

Senior Management Team:



Bart Crawley
Chief Executive Officer



Scott Grant
General Manager of
Packaging Operations



Jacquie Pavlik
Quality and Safety Manager



Lisbeth Long
People Operations
Manager



Jeff Little
Business Services
Manager

Divisional Management Team:



Amy Collins
Contract Packaging
and Processing



Paul Rundell
Contract Packaging



Mark Umanski
Timbers



Maria Wadley
Park Lane Nursery



Colin McClounan
Community Services



Chairman's Report Merriwa Industries

Mark Goyder is an award winning thinker, speaker and writer about companies and governance; he is the founder of "Tomorrow's Company" which aims to inspire business to be a force for good in society.

Mark Goyder lives and works in England and whilst I would speculate that he has never been to Wangaratta, his quotation could have been inspired by Merriwa Industries.

Employees are Merriwa's lifeblood without which, it would have no reason to exist, and every other part of Merriwa's operation is focused on supporting and enriching that lifeblood.

CEO Bart Crawley in his report has highlighted significant achievements against our strategic plan and makes a strong case in support of his claim that Merriwa is the leader of Australian Disability Enterprise in Wangaratta, North East Victoria, and the State of Victoria.

I would go one step further and suggest that "pound for pound" it could be regarded as one of the best in Australia.

Merriwa Board of Governance which has been characterized by the stability of Directors over previous years, has undergone some changes in personnel in 2019/20 year. Long term member and outstanding contributor to the Merriwa Board, Michael Carlile retired from his position of Board member and treasurer. Michael will be remembered for his

financial diligence and a dogged insistence on accountability at all levels.

Not having served on the Board for long, Margaret Bennett brought wisdom to the table, born in senior management positions in the health sector, and an advanced understanding of governance.

On behalf of the Merriwa Board, we thank them for their contribution and wish them every success and good health for the future.

The positive Board news is that both Michael and Margaret have been replaced by excellent candidates in Craig Thorp and Christine Cunningham and we welcome both to the Board.

In closing I would like to acknowledge and thank:

- Colleague Board Members for your loyal and professional contribution to the sound governance of Merriwa.
- CEO Bart Crawley, his dedicated management team, and all staff for their quality work.
- Customers, contractors, partners including all levels of Government - we appreciate your support.
- Members of Merriwa past and present who have helped make Merriwa great.

Danny O'Donoghue
Chairman - Board of Management



In 2019, the Board and Senior Leadership Team got together and developed the Merriwa Strategic Plan for the following three years. For me, the years seem to fly, and it feels like yesterday the direction was set.

I would like to take this opportunity to reflect on our progress and share the ongoing focus of the leadership at Merriwa:

Strong sustainable Social Enterprise

Merriwa experienced a flattening of sales in dollar terms for the year, with the final number for the 2020 financial year finishing at \$38.1mil against the same period 2019 \$38mil.

The year proved to be one of the most challenging, with the second half of the financial year commencing with raging bushfires across North East Victoria, seeing our team being impacted in some way. We then rolled into the COVID-19 global pandemic in March, an unprecedented world event which continues as I am writing this report in September of 2020. Like all of us, the uncertainty the pandemic created in our lives was extreme and confronting, however I would like to take the opportunity to recognise the amazing team at Merriwa, their resilience, care and support for one another was exemplary. The net loss for the year of (\$37k), compared to the previous year a profit of \$741k was disappointing, however on reflection, considering all the challenges presented in the second half, we were fortunate to almost breakeven.

Fulfilling our Purpose

The reason Merriwa exists, our 'Why' if you like, is to be part of a future where people of all abilities reach their potential and they feel respected, happy and confident, and 'How' we do this

is trade in goods and services, engaging an all abilities and integrated employment model, delivering the benefits connected with having a meaningful and rewarding job including; feeling valued; friendships; teamwork; earning your own money; pride and independence.

Our annual awards celebration held in August 2019 was a shining example and reminder of Merriwa's success in this area. Together we celebrated our teammates individual achievements, a gala night with everyone looking splendid dressed in evening wear, and we shared the night with our families and invited members of our community.

Grow our all abilities team members to 166

At the time of writing this report our team had grown to 124 from 80 back in 2019. Whilst still short of the target of 166, we remain focused on creating meaningful jobs for people with all abilities. At Merriwa we believe in seeing ability with the focus on how we provide a work culture where people of all abilities can feel safe, try new things, and learn. We have identified the next step in developing such a culture, is to develop our leaders, both current and emerging, having kicked off several programs over the last 6 months.

Be a "great place to work"

I would like to be able to say, hand on heart, Merriwa has achieved this goal, unfortunately this is not the case and we have more work to do. Merriwa embarked on its continuous improvement journey some years ago, with a view to using the principles and methods to create a work culture where people felt valued and engaged at work, sadly we had lost our way.

I am pleased to report we recently revisited this space, and with renewed vigour from the Senior Leadership Team, I am confident over the coming 12 months we will take positive steps in creating the dream culture, of a workplace where people feel like family, feel they belong, feel safe and valued.

I often reflect on what success will look like and how we will know when we have become that workplace. Will it be when we see less reliance on our Employee Assistance Program, our absenteeism trending down, or simply smiles count, perhaps it will be all these things.

Enduring strong reputation and brand

When I joined Merriwa six years ago, the standout and confusing thing for me was the lack of understanding or recognition of Merriwa in the community of Wangaratta. Jump forward to today and I am so pleased to report this is no-longer the case. Merriwa is now recognised as the leader in Australian Disability Enterprise in Wangaratta, North East Victoria and some would suggest, in the State of Victoria. There has been tremendous work carried out by the team over the last 12 months, continued marketing of our brand, developed employment pathway connections, one being the Wangaratta District Specialist School, and in our community with Merriwa recognised as a business leader.

In finishing, I would like to thank all the amazing team at Merriwa.

To my Senior Leadership Team, Scott, Jacquie, Jeff, and Lisbeth, with you guys steering the ship, we can all be confident of success along the path ahead.

Finally, to the Board of Directors, Danny, John, Joe, Libby, Chris and Craig and to those who stepped down Michael and Margaret, thank you for your contribution, your guidance, consult and wisdom; your leadership is reflected in our success.



Bart Crawley
CEO

Packaging

Merriwa's Packaging division employs an all abilities team in excess of 170 team members, the largest of our teams within Merriwa. Recognising the need for great balance between our people focussed organisation and the commercial outcomes required of high profile customers, the Packaging Division seeks to deliver quality and timely outcomes, while providing meaningful outcomes and opportunities for our people.

It would be fair to say that Merriwa's Packaging division has had a year of (almost) two halves.

The first 8 months of the year was dedicated to consolidating and balancing our current customer demand between sites. In an environment where customer demands were strong but fluctuating, the focus was to improve our offering through skills development within the all abilities teams and standardising processes across sites. A number of new products for existing customers were being discussed, as well as significant enquiry and product trials from a range of new customers.

The start of 2020 brought significant change when COVID-19 hit globally and the impact on Merriwa Packaging was one of increased customer demand, which was a direct impact of panic buying and altered consumer purchasing patterns. This placed enormous pressure on our packaging operations and team, and has guided change in our work environment to keep up with these demands.

Our all abilities team of over 170 across 3 sites in Wangaratta and Wodonga must be commended on their ability to adapt, be flexible, work hard and be resilient through these times.

They have been operating under customer pressure, workforce shortages and workplace restrictions, yet have still risen to the challenge of daily targets and demands. Their adaptability to the changing workplace requirements, resilience to dig in for our customers regardless of how achievable the demand was, compassion and understanding to support each other through this unprecedented time shows how truly amazing our team is and we truly thank them.



Contract Processing and Packaging

Whilst Contract Processing and Packaging (CPP) has seen a very challenging 12 month period, it has been an extremely positive time within the division as we strive to meet the demands of our customers.

The emergence of COVID-19 had an immediate impact on our division in March 2020, with panic buying driving sales in the market and challenging our overall supply chain. In some cases this led to complete depletion of stock which saw some retail stores out of stock.

The sudden increase in demand created pressure in all aspects of the business including people and resources, machinery and equipment, and systems and capabilities. Our team adapted quickly and we are now in a position where we are able to respond and be flexible to customer demands as we work in the new COVID-19 environment. This has seen us increase our capabilities through the implementation of new machinery, equipment, line layouts and production floor space, driving recruitment and increasing capabilities of our team to run morning shift and afternoon shift, which has

allowed us to work with new customers while meeting current customer demands.

Amongst the changes that COVID-19 has brought, we continued to focus on our people, safety and quality, and continuous improvement processes around these pillars. Without our incredible team, who have continued to step up under all the challenges we have faced, we simply would not be able to operate and meet our customer demands. Our team has worked extremely hard and continues to do so, being flexible with working shifts, supporting new team members and adapting to new product ranges, and we commend them on their hard work and commitment through these challenging times.

A key outcome has been the optimisation of production and the warehouse working areas to better support our processes, people and customers. As part of this we transformed our Plant 2 primary packaging food room into two separate rooms, enabling us to pilot our 'hole in the wall' method which can be replicated across the Packaging division and also enables us to provide more opportunities for

our all abilities workforce.

Another achievement was continuing our AA rating for the British Retail Consortium (BRC) and maintaining all other certifications from a quality and safety perspective.

As we move forward into the next 12 months, we continue to see significant change within our Packaging division which will increase our capabilities and provide exciting opportunities into the future for our customers and product capability, which will involve a review of our current Packaging team structure and delivery of service to the market, as well as the implementation of an ERP system across the business. These changes and opportunities will enable growth into powdered and granulated products as well as co-packing, which is an exciting prospect for Merriwa Packaging.

Contract Packaging

Wodonga and Wangaratta

Our Wodonga Packaging site at Romet Road has now been operating for almost two years and it has been a hub of excitement as we've watched the site transform into our own. Our site upgrades were completed, which included a full amenities upgrade, office refurbishment upstairs and downstairs, with a focus on fitting out the workplace specific to our teams needs - the team was involved in selecting the colour scheme throughout the facilities, which gave ownership to the team and has brightened our work space!

Across both Wangaratta and Wodonga, our focus on continuous improvement has seen a number of changes to our line layouts on the factory floor, improving our capabilities and processes. We have a more efficient flow from the warehouse to the production line and have a strong focus on safety, ensuring the lines are more accessible for our team. Other changes we have seen include the transition of products from Wangaratta to Wodonga and the appointment of a full time Support Officer in Wodonga.

Throughout the changes we have experienced through COVID-19, our team has been exceptional. The enthusiasm and can-do attitude they bring to work each day is infectious and we are extremely proud of everything that has been achieved this year. They are hard working and support one another, particularly through the challenges we have faced this year with the bushfires and COVID-19, which impacted on our team members ability to attend work, for example crossing the Victorian/NSW border during restrictions.

The increase in demand from our customers has seen our teams' output at Plant 2 in Wangaratta increase, with the implementation of a weekend shift to allow us to keep up. Again, the team has responded incredibly well and we have a fantastic team atmosphere while working these additional shifts.

Another key project we were proud to initiate in our community was the temporary Bushfire Relief Donation and Distribution Centre in Wodonga, which was initiated by Naomi Leslie and supported by team mates across all divisions. What started as an initial concept, turned into an around the clock operation for many weeks as we received thousands of donations from the community to donate to bushfire affected communities. This experience was incredibly overwhelming and the sense of community was humbling to witness; thank you to everyone involved in this initiative, your contributions have made a significant positive impact to those bushfire affected communities.

The coming 12 months will see us focus on increasing our capabilities, meeting current customer demands and welcoming the exciting prospect of new customers and products. We will continue to have a strong focus on our team and supporting our people in developing their leadership skills and training, which will see more opportunities for our all abilities team taking on new roles such as line leader positions.

We look forward to the challenges and opportunities over the next 12 months and supporting our team on this journey.

Scott Grant
General Manager of Packaging Operations

Amy Collins
Contract Processing and Packaging, Wangaratta

Naomi Leslie
Contract Packaging, Wodonga

Paul Rundell
Contract Packaging, Wangaratta



Merriwa Timbers

Reflecting on the 2019-2020 period for Timbers, we are proud to say we have achieved many of the projects and tasks we set out to achieve.

This included a focus on continuing to provide high quality timber products to our customers whilst maintaining sector leading turnaround times in production and delivery, as well as the transition of our Gibson Street site to a processing site for our hardwood beams ensuring continuity in our raw material supply for our timber beams.

The transition of the Gibson Street site has allowed us to focus on the production of glue laminated timber beams, which has become our core engineered timber product at Greta Road. Part of this transition has seen us upgrade and improve our factory floor layout, including purchasing new equipment and the development of our new Lam Room. These changes have resulted in improvements to safety, reducing manual handling for our team and increasing our capabilities and production output. This has only been achievable through the support of our team and our culture of continuous improvement.

The beginning of 2020 presented us with many challenges and uncertainty with the impact of the bushfires followed by the global impact of COVID-19. While these environmental impacts brought much uncertainty, one thing has been for certain, and that has been the strength and capability of our team. We saw many changes including social distancing, people working from home, increased hygiene and safety procedures, the introduction of face masks, and our limited access to metropolitan Melbourne as a COVID-19 hotspot where many of our wholesalers are located. These changes gave us the opportunity to refocus on our people, improve our efficiencies and reflect on the importance of working as a team.

We were able to continue to provide training opportunities for our team in the areas of wood machining, timber grading, lean processes and identifying emerging leaders. We also focused on the health and welfare of our team, particularly in dealing with the changes COVID-19 presented. This included access to health and wellbeing information, checking in daily with our team and closely with our Support Officers to provide support to the team.

As we look forward to the next 12 months, we remain alert and cautious with the sudden changes that COVID-19 can bring, but we are also excited by the opportunities that this environmental change has brought us. Our capabilities and efficiencies have improved to allow us to expand our customer base and we have the potential to introduce new engineered timber products to our scope which is an exciting prospect for us. We will also continue to build our culture of continuous improvement, identifying waste reduction strategies, sourcing direct materials and production floor processes.

Our people remain at the core of who we are, and over the coming 12 months we will increase our opportunities for more supported employees to join the team and build our resources to support our all abilities team, including easy read documents and procedures, and the breakdown of job functions.

Mark Umanski
Timbers Divisional Manager



People Operations

Human Resources, Support Officer Team

Reflecting on the past 12 months brings great joy, despite having been perhaps the most significant period of challenge and change for all at Merriwa. While it has been an incredibly difficult and tough time in the latter half of the reporting year with the devastating bushfires of late 2019/2020 and the COVID-19 pandemic, Merriwa's people have continued to rise to face the challenges presented, and have created and embraced the opportunities as a result.

Through these times of challenge and change, Merriwa's people have stayed the course with determination, optimism and an ever increasing focus on team member mental health and wellbeing, underpinned by respect, compassion, empathy, kindness, inclusion, empowerment and integrity. Merriwa's focus on creating a safe work place where our team members feel respected and have purpose resulted in our operations exceeding expectations during all of the emergency restrictions placed on us as a result of the bushfires and COVID-19.

Our team members' belief that their work place was safe and that they were valued and cared for meant that Merriwa experienced very little business interruption as everyone continued to engage with optimism and resilience. Additional mental health and wellbeing initiatives implemented to support employees during the devastating bushfire season

which also had a direct impact on many team members and our operations, further served us well, as we faced the next crisis that eventuated with COVID-19. In addition to the two momentous events that Merriwa has faced, along with the broader community in which we serve, Merriwa's growth across all operations placed exciting, and at times daunting demands, on team members.

2019/2020 saw the emergence of the People Operations team and their achievement of a significant number of goals designed to support Merriwa's strategic plan. These achievements against the plan included:

- Continuing to successfully deliver all abilities employment through the improved recruitment pipeline, structured work placement and work experience initiatives and key stakeholder relationships (35% all abilities employment achieved);
- Further development and redesign of key people systems to deliver improved outcomes with respect to employee safety, data integrity, performance development and personal growth (80% plus compliance)
- Establishing a baseline understanding of our team member engagement levels through the MCS Employee Engagement survey and the Merriwa wide, Working from Home and Learnings from COVID19 surveys

- Introducing the Learning Bites and Learning Lunches program for key leaders at all levels across the organisation, with a focus on building capacity to support team members understand and embrace diversity
- Of just as much significance, are the additional achievements of the People Operations team over the past 12 months which included:
- Managing the impacts of bushfires and COVID19 including:
 - o Positively supporting the significant number of team members working from home and/or juggling remote schooling, and assisting with the mental health impacts arising from emergency restrictions
 - o Finding new ways to support employees in continuing to engage with each other despite emergency restrictions through increased use of technology and facilitating video catch ups between team members
 - o Implementing the Merriwa Communications Strategy, and Business Continuity and Emergency Preparedness Plans, meeting increased DHHS standards for Merriwa Community Services (which includes Merriwa

- o Rolling out and assessing the effectiveness of the Merriwa Working From Home model, and managing the roll out of the JobKeeper program
- o Successfully, yet unfortunately, deferring the Annual Merriwa Awards Night, and learning how much it is valued as an important celebration and engagement event in Merriwa's people calendar
- Successfully managing the changing landscape of the National Disability Insurance Scheme (NDIS) with improved service delivery to participants and ensuring readiness for the impacts of the new NDIS pricing model which commenced 1 July 2020; as well as completion of NDIS Re-registration Stage 1
- Considerable investment in recruiting and developing new and existing, very talented team members to meet significant growth demands for all abilities team members, in Packaging and Merriwa Community Services, and more broadly across Merriwa.



People Operations

Human Resources, Support Officer Team



- Developing and successfully implementing the Merriwa Emerging Leaders Pilot Program (delivered to 20 participants), which is the foundation of Merriwa's leadership journey in 2020/2021
- Initiating the Merriwa Community Services Workforce Stabilisation project, delivering amongst its many goals; 70% permanent, part time employment; improved rostering and payroll accuracy; and the opportunity to demonstrate how much we value our team members
- The wonderful celebration of 25 years of Merriwa (despite COVID-19), coupled with the introduction of the internal Merriwa Communications Team, staffed by all abilities team members passionate about collecting and telling the stories of Merriwa people with candour and authenticity through photography, videos and interviews
- Delivering record sales at Park Lane Nursery with ongoing, positive feedback from customers (both retail and production) on customer service, stock quality and people engagement particularly in the face of very difficult operating circumstances as a result of bushfire recovery and COVID19

In addition to the above achievements, we have also learnt that our people are determined, resilient, optimistic and passionate. In the face of challenge and change our people have adapted, responded and been flexible as they have risen to, met and achieved beyond all of our expectations. Our people have taught the People Operations team and the wider Merriwa leadership group much about the importance of trust, respect, compassion, empathy, kindness, inclusion, empowerment and integrity, first and foremost above all else. We have all learnt that mistakes are an opportunity for learning and growth, and if we are open, transparent and ask for our team members' understanding and support, we can very quickly, not only get back on track, but get even better.

Standards and expectations of ourselves and all our leaders will continue to be raised, consistent with our learnings and progress this past 12 months. With this understanding in the forefront of our minds, the goals for the People Operations team, which will also support the achievement of Merriwa's strategic goals, will be to:

- Continue to progress Merriwa's leadership capacity and effectiveness through embedding Merriwa's Leadership Guiding Principles
- Increase our all abilities workforce by a further 40%, funded placements in out of home care by 30%, and NDIS accommodation offering by 50%
- Deliver measurable employee engagement results beyond 85%, where people feel safe, respected and included
- Improve sustainability through increased sales; improved production planning and delivery through continuous improvement; revenue growth; personal and organisational financial literacy, accountability; and realisation of people's value and contribution to growth opportunities

The focus for 2020/2021 in People Operations can be simply captured as being one of leadership and learning with, and for, our people. Our team now comprises just on 90 very talented, skilled and valued team members delivering to their personal best, across the diverse businesses of Merriwa

Community Services and Park Lane Nursery, and in partnership and collaboration across all of Merriwa through Support and Engagement Services, Human Resources Services, Learning and Development and Communications and Marketing. I am incredibly grateful and privileged to be part of this team and I thank everyone for their commitment, efforts, feedback and support

Lisbeth Long
People Operations Manager

Quality & Safety

2019-2020

What a year 2019-2020 has been for everyone! This year has brought to the Quality and Safety Team so many changes with people leaving and new people coming on board. We said goodbye to Janine Chick from the Quality Team and we welcomed Joanne Johnstone as Quality Administration Support who transferred across from Park Lane Nursery working part-time. We also welcomed Scott Henthorn from CPP as our new Safety Officer and Bradley Howarth from Timbers as the Safety Administration Support. All have been valuable assets to the Quality and Safety Team!

The Safety Team have been working hard over the last year to bring a strong focus across all the division around Safety. They have been creating a strong presence working with the different teams with regards to ensuring Risk Assessments are being completed and actions implemented. They have been undertaking safety inspection, investigations, following up with contractors to ensure JSA's are completed and supporting the OH&S Representatives within their roles and providing training as required.

It has been an unusual year for the Quality Team with fewer external audits being conducted due to the Covid-19 restrictions.

We have maintained our Organic Certification, AA BRC and Woolworths Code of Practice Standards successfully. All other certifications audits have been delayed until early 2021. The teams have had to all adapt to a new way of working and communicating with the different divisions via electronic means as restrictions on movements between sites was introduced.

In the year ahead of us we plan to continue working towards increasing Safety and Quality awareness across all the sites. Within Safety we will be looking to refresh our OH&S meeting forum, increase risk assessment training between the teams, implement regular safety audits across the sites, and continue to support the OH&S Representatives and Management on creating a safety culture. The Quality Team will continue to work towards creating easy read documentation, maintaining internal audits and assisting with the implementation of the actions, working on our Food Safety Culture and training programs around same.

We look forward to working with each of the Divisional Teams over 2020-2021 to assist them in continuing to put a real focus on Employee Safety, Food Safety and Product Quality.

Jacquie Pavlik
Quality and Safety Manager



Park Lane

Nursery

The 2019-20 financial year has been a busy one here at Park Lane – as it has been everywhere!

Retail had a slow start to 2020 due to the horrific bushfires in the area but has been phenomenally busy through the COVID period. Perhaps a silver lining to this pandemic is that people have discovered the therapeutic benefits of spending time in the garden, and the subtle magic of growing things.

We have been challenged keeping enough stock in the nursery to satisfy demand, and our Retail team has been working exceptionally hard serving new and returning customers. We have many new regulars which is testament to the great work of the team. The sales figures from the last three months of this financial year show the story quite clearly for Retail, and I acknowledge the hard work and commitment demonstrated by the team in what has been quite a challenging period. Adding to that, the pressure of keeping up with keeping surfaces hygienically clean, and trying to manage physical distancing with customers in what has at times been very close proximity.

Going forward, we will be reviewing our marketing plan – the current situation has changed to goalposts for the time being, and we will be looking at what that might mean from a marketing perspective for the short term, as well as the longer term.

We also continue to have in mind the redevelopment of our retail space, but we will wait to see what happens when the dust settles, and see what the new normal looks like before we pursue this avenue.

The Production team has also been working very hard this season, resulting in the best order bank that we have seen in many years. We were very happy to celebrate reaching, then surpassing, our goal with a hotdog feast!

The commitment of the team to produce and sell the best plants has been rewarded by consistently positive feedback from our customers, and some forward orders for next year already coming in.

We have also continued to undertake unusual projects for Bailey's of Glenrowan – growing on their heritage varieties with great success, as well as our second season processing hazelnut scion cuttings for export to Bhutan, again with great success.

We are also focussing on developing relationships with potential larger customers, including a couple of wholesale advanced tree growers in Melbourne – we have already undertaken work for one of these, with more to come.

Adding some larger commercial contracts to our production base is one of the ways in which we are aiming to become more sustainable. We have continued growing in this area by committing to an order for tube stock for the Mordialloc Freeway upgrade, as well as supplying several other commercial projects. We continue to work in this space, connecting and building relationships with organizations, and building our profile in this area.

And, of course, we continue to support local councils, government agencies, Land Care and environmental groups, and private landholders and farmers to enhance the environment in our beautiful part of the world. We are making the world a better place by supplying plants which are used to provide habitat and food for birds and animals, to assist with stabilization of river banks, and generally increasing the environmental health and beauty of our region – what better legacy for us to leave.

Our whole team has made this year, with all its exciting opportunities and challenges, a wonderful one. We have added five new members to our team, and it has been fantastic to see just how welcoming and encouraging our longstanding staff have been to our newcomers. Starting a new job where you don't know anyone, or what you're doing, can be hard – we have all been there, so I am immensely proud of the team for stepping up and being supportive of each other.

The team has also supported each other through the bushfires earlier this year, and continue to do the same through COVID. It has really highlighted just how isolated we can become, and how important being part of a team where you feel valued and connected is – we are very lucky to have each other at times like these.

Maria Wadley

Park Lane Nursery Manager

Community Services

2019-2020

Merriwa Community Services year has mostly been about rising to challenges and adapting to constant change. From changes in management that come with new expectations, to the challenge of new complex clients and working through the process of Merriwa Community Services Workforce Stabilisation project it has been a busy an exciting year.

Having staff work around the clock with challenging young people who present with a range of behaviours means that having confidence in staff and supporting them is critical. Merriwa Community Services requires people who are prepared to constantly learn and adapt to the challenges they face and who can demonstrate leadership from where they sit to young people and to their peers.

We have focused as a division on listening to our staff in a variety of ways including:

- Establishing a base line understanding of our team member engagement levels through the MCS Employee Engagement survey
- Putting in place house-based team leaders to improve staff support and feedback

- Undertaking focus groups with all staff to listen more deeply to the ideas and challenges that staff face within the house

Recruiting for change has also been a significant part of the year with the MCS Workforce Stabilisation Project delivering on one of the key messages from staff of the Employee Engagement Survey. The Workforce Stabilisation Project has been received with great positivity from staff and delivers amongst its many goals:

- A new position description titled, Youth Engagement and Development officer
- 70% permanent, part time employment
- Improved rostering and payroll accuracy
- The opportunity to demonstrate how much we value our team members and support their employment security
- The development of work progression from casual, to Permanent Part Time and on to team leader and management roles

This work has also included developing a casual pool interviewing potential recruits and working closely with our wonderful human resources team to finalise contracts and other requirements.

Our staff have also responded magnificently to the challenges of COVID-19: continuing to front up to each challenge and manage young people who were frustrated with restrictions and decreased activity.

The Professional Standards of MCS staff are linked to policies such as the Child Safe Code of Conduct and Merriwa's own Code of Conduct but these standards are also closely linked to leadership principles that we set for each other. Standards such as respect for our young people, ourselves and our peers. People who work well in service with young people and in collaboration to achieve with others are most likely to achieve positive outcomes.

Empathy is important in understanding others, their disability, their trauma or their daily challenges. Whether it be a young person, a colleague or managers staff who have

empathy build on what we are trying to achieve together. To create an environment of care and leadership, a place where people feel valued. Where people act with integrity, are interested to develop and they are keen to get to work and demonstrate these values to our young people.

I am excited as we progress in putting these leadership principles in place on a day to day basis. We are building a culture of leadership and learning across MCS, developing baseline standards in our induction and compliance, focussing on continuous improvement across all aspects of our work. The quality of our people is what will bring this to fruition and in getting this right we will improve the lives of the young people we serve.

Colin McClounan
Community Services Manager





Notwithstanding continued improvements in divisional performance reporting and a focus on operational efficiencies, the results for the year were impacted by mid year price changes in CPP materially reducing the margins on several major products and complications experienced in the taking on of new products in CPP.

However, it was the COVID-19 pandemic that had the most major impact on Merriwa's results for the year. In particular, the Wangaratta and Wodonga Packaging divisions experienced major reductions in sales orders.

Merriwa became eligible for the JobKeeper subsidy in June 2020. This allowed Merriwa to financially support employees unable to attend work due to COVID-19 risks and improved the net result for the year by \$476,160.

Key results:

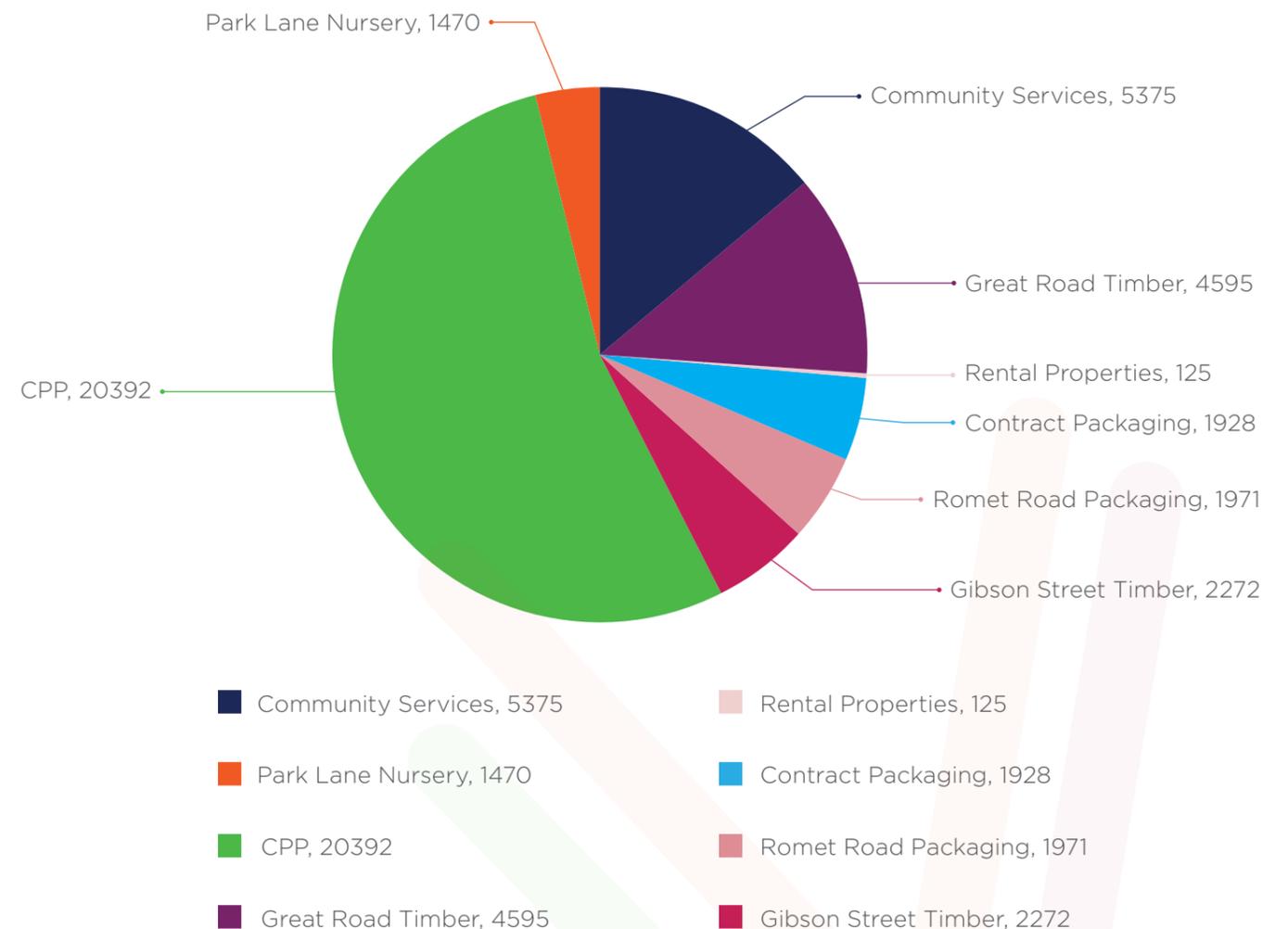
- Sales were 3.7% better than budget
- Gross profit was 23.8% worse than budget
- Net loss was \$(37,807)

The Business Services Team

- Merriwa's Business Services Team was formed in April and includes administration, payroll, procurement, information technology and finance functions.
- The team was created to better serve Merriwa's divisions, now and into the future.
- Our goal is to be a truly all abilities team.

Jeff Little
Business Services Manager

Sales Analysis



| | Budget YTD (\$'000) | Actual YTD (\$'000) | Contribution to the Group | Variance YTD (\$'000) |
|----------------------|---------------------|---------------------|---------------------------|-----------------------|
| MERRIWA | 36,786 | 38,129 | | 1,343 |
| Greta Road Timber | 5,271 | 4,595 | 12.05% | -676 |
| Rental Properties | 113 | 125 | 0.33% | 12 |
| Contract Packaging | 2,849 | 1,928 | 5.06% | -921 |
| Romet Road Packaging | 1,935 | 1,971 | 5.17% | 36 |
| Gibson Street Timber | 1,460 | 2,272 | 5.96% | 812 |
| CPP | 18,870 | 20,392 | 53.48% | 1,522 |
| Park Lane Nursery | 1,387 | 1,470 | 3.86% | 83 |
| Community Services | 4,900 | 5,375 | 14.10% | 475 |
| TOTAL | 36,786 | 38,129 | 100% | 1,343 |

Service Awards

2019/2020

10 Years

Chris Kalkandis

Contract Packaging

Chris commenced working at Merriwa in January 2010 at Timbers and has also worked Contract Processing and Packaging, Plant 3. He now works in the warehouse at Contract Packaging at Plant 2 and has had a great contribution across Merriwa over his 10 years. Thanks Chris for all of your hard work!

Margaret Leidtke

Packaging

Margaret started working at Merriwa in May 2010 and travels from Benalla on the bus to work. Over her 10 years, she has worked at Plant 2 Packaging and works on the different production lines. Margaret is a very reliable employee and has a great sense of humour which we all love. Congratulations on your 10 years of service!

Noel O'Dourke

Packaging

Noel commenced work at Timbers in March 2010 and now works at Plant 2 Packaging. Noel works on a variety of lines and works a number of tasks to support his team. He enjoys learning new tasks and is a great worker at Merriwa. Congratulations Noel on your 10 years of service!

Fiona Beck

Contract Packaging

Fiona commenced working at Merriwa in April 2010 and during this time has worked at Contract Packaging on a variety of production lines learning new skills. Fiona enjoys her work and companionship with fellow employees, congratulations Fiona on your 10 years of service!

Andrew Dart

Packaging

Andrew started working at Merriwa in May 2010 and works at Plant 2 Packaging. Over this time he has worked on a number of production lines and enjoys learning new skills. He is always polite and willing to help his team members, he has also recently joined the Merriwa Communications Team which he thoroughly enjoys. Thanks Andrew for your 10 years of service!

Amy Wassink

Administration

Amy commenced at Merriwa in March 2010 in a full time role as reception/accounts receivable/payroll. She currently works as Finance Officer and has enjoyed getting to meet new people and having the opportunity to broaden her skills and knowledge in her role. Congratulations Amy on your 10 years of service!

Shannon Birch

Timber Division

Shannon has been a great team member at Merriwa's Timber division, with a range of experience across the Timber's sites including; Newman Street building Army Boxes, Gibson Street and now at Greta Road working in the 'Lam-Room' with GluLam Beams. He enjoys his work and the friendly environment - Congratulations Shannon on your 10 years of service!

Peter Ward

Packaging

Peter has been a passionate and hard working member of the Merriwa team, currently working in Packaging at Wodonga. He loves seeing other people achieve and supporting them with their goals, and looks forward to developing the team and their skills in the years to come. Well done Peter on your 10 years of service!

Sharni Taylor

Packaging

Sharni has been a great team member at Merriwa's Packaging division in Wodonga, she is a hard worker and enjoys working with her team. She has enjoyed making new friends, has learnt new skills along the way, and is a current member of the Supported Employee Advisory Committee (SEAC). Congratulations Sharni on your 10 years of service!

Daniel Castle

Contract Packaging

Daniel commenced work at Merriwa in September 2009 and has worked across Timbers, Plant 2 Packaging and now has been transitioned to Contract Processing and Packaging at Plant 3 where he works in the warehouse. He is a high achiever and a very helpful employee, he plays footy for the Merriwa Magpies and has also been a member of Supported Employee Advisory Committee. Well done on your 10 years!

15 years

Robert Van Der Steeg

Packaging

Robert commenced work at Merriwa in March 2005 and has worked at Plant 2 Packaging on a variety of production lines. He is a reliable and happy worker who is always courteous and polite. Congratulations Robert on your 15 years of service!

Christopher Black

Timber Division

Chris has been a great team member at Merriwa's Timbers division, working hard across multiple machines on the Timbers production floor. He is always up for a chat and has been a great contributor to Merriwa's Supported Employee Advisory Committee (SEAC) and supporting the Merriwa Awards Night. Congratulations Chris on your 15 years of service!

Clifford Handcock

Timber Division

Cliff has been a committed and hard worker at Merriwa, working his 15 years at the Timbers division. He has had experience working across a range of equipment and currently works on the finger-jointer. He enjoys building things and one of his highlights was supporting in building the 'Lam-Room' at Timbers. Well done Cliff on achieving 15 years at Merriwa!

20 Years

Dean Sanderson

Packaging

Dean started working at Merriwa in January 2000 at Timbers now works at Plant 2 Packaging where he has learnt a number of skills and has had arrange of experience across the production lines. Congratulations on achieving 20 years at Merriwa!

Recognition of Retirement

Karen Collison

Karen commenced work at Merriwa in December 2003 at Plant 2 Packaging, then transferred to Plant 3 where she worked for the next 3 years. Karen returned to Plant 2 and has been a very valued employee at Merriwa. We appreciate all of Karen's hard work and commitment to Merriwa over her time with us and wish her all the best as she enjoys her retirement.

David Daws

Retiring after 36 years at Merriwa Timbers, David is now loving retirement. He has seen a number of changes over his time at Merriwa with different products, site locations and production layouts. David has made an incredible contribution to Merriwa over this time and is looking and feeling great in his retirement, we wish him all the best!

Mick Kaup

Mick has been a valued team member at our Timbers division and has always been recognised for his work ethic, reliability and his focus on producing the highest quality product in Timbers. He had a willingness to learn new skills and take on new tasks, thanks Mick for your contribution to Merriwa!

Erin Knox:

Erin commenced work at Merriwa in April 2010 and retired in December 2019. Erin worked at Plant 2 Packaging and worked on many lines and worked many tasks. Erin was always particular with her work and enjoyed working her tasks. Erin made friends at work and is missed by her fellow workers. Thanks Erin for nearly ten years of continual service and all the best on your retirement and your future.,

Andrew Foster:

Andrew started working at Merriwa in July 1993, beginning work on the cake boards for many years. Andrew worked at Plant 2 Packaging, achieving a great attendance record over the years and enjoys his days off to be involved in other community activities. He recently achieved an amazing 25 years of service to Merriwa and we hope he enjoys his retirement - well done and thank you for your incredible contribution to Merriwa!

Cain van den Akker:

Cain has been a great team member at Plant 2 Packaging, always learning new skills and carrying out tasks including taping boxes, stickers, working the manual trolley jack, and was excellent at tidying up and cleaning. He was known for his great work ethic and how he gets along with everyone in the team. He has been a real character and is a huge Collingwood supporter, especially after a win! Congratulations on your retirement Cain and we wish you all the best.

Mark Currie:

Mark commenced working for Merriwa in 2009 and in the intervening period has occupied several roles as the organisation has grown and developed.

During the period of his employment, Mark was appointed to commission the CPP division which involved him applying his skills and attributes to ensuring its success. Mark's background in manufacturing fortuitously provided Merriwa with the resources it needed to ensure the success of the project. Over the decade of his employment, Mark has been a loyal, dedicated and valued contributor to the growth and success of our organisation.

In his most recent role as General Manager Operations, Mark continued to apply his energies to furthering the work of Merriwa. Mark's contribution to the growth and success of Merriwa is appreciated and valued. We wish him every success in his next endeavours and am sure that he will build on the experiences he has had at Merriwa to do so.

Joanne Ryan:

It was with mixed emotions that we announced Joanne's retirement from her position of Finance and Administration Manager, and as a key member of the Senior Management Team (SMT).

Jo made the brave and considered decision, during this challenging and uncertain time, to take the first steps towards the next exciting part of her life, retirement.

Jo's contribution to Merriwa over the past 5 years has been significant and her passion for our organisation, her strong resolve to ensure Merriwa is in a strong financial position, her leadership in developing people and women in leadership, and ongoing support of our community, has been invaluable. We wish you all the best in your retirement.

Michael Carlile

(Board):

It was with great sadness that we saw long term member and outstanding contributor to the Merriwa Board retire from his position of Board member and Treasurer. The skill set and experience he brought to the Merriwa Board was invaluable and he will be remembered for his financial diligence and insistence on accountability at all levels. We thank you for your contribution to Merriwa and wish you all the best for the future.

Margaret Bennett

(Board)

Margaret has been an incredible member of the Merriwa Board, providing guidance, wisdom and an advanced understanding of governance in her three years. Her contributions not only to Merriwa, but as a leader in our community in her role as CEO of North East Health has been a privilege to be a part of. We thank her for her leadership and wish Margaret all the best in her new endeavours in NSW as Chief Executive for Southern NSW Health.

Vales:

Katrina Astill

Katrina worked in Packaging at Merriwa for many years and was a great member of our team. Our deepest sympathy to Katrina's family for their loss.

Paul Blount-Greene

(son of Noel and Jean Greene)

Merriwa wishes to share their condolences with the Greene Family (Noel and Jean Greene) on the loss of their son, Paul. Our thoughts are with the Greene Family in this difficult time.

Community

Connections

As we reflect on the past 12 months, particularly from January 2020, it is one of the most difficult times our people and our community have faced.

As you read through this report, there is a recurring theme across all divisions; and that is our people and our team, and how significant their contribution has been in surviving and adapting (and continuing to survive) to these unprecedented times. We have seen our teams across all divisions continue their business and service delivery to our customers with commitment, resilience and trust, and we cannot thank each and every team member for their contributions over past 12 months.

None of the achievements, learnings and progress of the past 12 months, during the incredibly difficult and tough times of bushfires, pandemic and significant business growth, would have been possible without the invaluable support and contribution of our dynamic, energetic and engaged team members that are Merriwa's heart and soul, and very reason for being.

The support, dedication and passion of our team members in making such a valued contribution to the organisation is all part of how and why Merriwa is able to continue on its journey of delivering on its dream of being part of a future where

people of all abilities and indeed, every team member, reaches their potential and they feel respected, safe, confident and can reach their personal best.

It is also incredibly humbling and for that, we express our thanks and gratitude to all our team members that make Merriwa possible. We are filled with great joy, excitement and optimism as we face whatever 2020/2021 brings our way.

'Merriwa lends a helping hand to community' January 2020

Merriwa's Wodonga site at Romet Road was converted to a temporary distribution centre for donations for bushfire relief areas and was overwhelmed with the response from the community.

After an initial concept and idea from Naomi Leslie, Merriwa's Site Supervisor in Wodonga, the site has turned into a thriving distribution centre with over 160 volunteers and hundreds of pallets of donated goods being collated and distributed across our local community.

Naomi has said "Within 12 hours of communicating that we would open our site for donations, we literally had half of our warehouse full of donations.

Everything from food items, water, bedding, pillows, camping gear, clothing, shoes and more. The response had been overwhelming, and it shows what a strong community we live in when times get tough."

Within just a few days of Merriwa opening their doors, they had the support of 160 volunteers working in excess of 2,000 hours in just 3 days. They were co-ordinating with relief agencies and fire services, with over 150 pallets being loaded onto trucks for distribution to evacuation points at Walwa, Corryong, Tallangatta, Holbrook, Wangaratta and Wagga.

Naomi added "We had our BBQ going regularly to feed evacuees and volunteers, but were very grateful for local food businesses and community groups who cooked up and donated meals - many of the meals also made their way to the fire affected areas."

The generosity of people from far and wide was completely overwhelming, with donations from as far afield as Bendigo and Melbourne being delivered by the truck load. There is an extensive list of local businesses and individuals that have donated equipment, their transport, their time and their support and we cannot thank them enough."

Relay for Life Wangaratta - October 2019

Merriwa was proud to be a part of Relay for Life in Wangaratta, raising funds to support local cancer patients, their families and carers. Our team comprised of Merriwa team members across all divisions who walked non-stop for the full event into the night.

The Merriwa Team also hosted a Trivia Night, a tennis day and walked up Mount Buffalo, raising \$1,578 in total for the cancer council.



Naomi Leslie, Wodonga Site Supervisor coordinating volunteers, donations and logistics during the 2020 bushfires.

Community

Connections

International Day of People with Disability – December 2019

Merriwa celebrated International Day of People with Disability on December 3, 2019 with a BBQ lunch at their Greta Road Wangaratta site. Every day at Merriwa is a day to celebrate our diversity and the achievements of our all abilities team, but this was a great opportunity to recognise those achievements and get our teams together as a celebration of our team and create awareness in our community for people of all abilities.

Community Achiever Awards – Mal Craig and Jacob Grogan, December 2019

The Community Achiever Awards recognise significant achievements and contributions

made by supported employees working across social enterprises across Victoria, where just 16 recipients were selected from across the State. Merriwa team members Jacob Grogan and Mal Craig were nominated for the awards and were presented with their award in front of family, friends and colleagues at Parliament House.

“We were extremely proud of Jacob and Mal at the Community Achiever Awards, their achievements at work and within the community are to be commended, and this kind of recognition is really special.

Jacob has been a part of the Supported Employee Advisory Committee (SEAC) where he provides feedback from his team at Packaging for areas of improvement. He is extremely positive, always supports his team and has an infectious energy, you can't help but smile when Jacob is around.

Mal is a great contributor at Merriwa and within the community, he is always willing to give a helping hand and he also volunteers at the local CFA and Wangaratta Archers. Whenever there is an event at Merriwa, Mal is there to set up, pack up, clean up and he loves a chat along the way!

At Merriwa, we celebrate our differences; we see success for our people as success for us, our teams and our community. We genuinely celebrate our achievements as a team, recognising our people are the backbone of our organisation which is built upon the achievements of team members, just like Jacob and Mal.”

Bart Crawley,
Merriwa CEO



Bart Crawley (Merriwa CEO), Mal Craig, Jacob Grogan, The Hon. Shaun Leane (President of the Legislative Council)



Lachlan Dalton (WDSS student), Joanna Bate (Merriwa Support Officer), and Shane Crispin (Structured Workplace Learning Coordinator, NE TRACKS LLEN)

Work Experience and Structured Workplace Learning, 2019 - 2020

As part of further developing the employment pathways from school to work, Wangaratta District Specialist School (WDSS) and Merriwa have been working closely together to introduce students to the many future and meaningful work opportunities at Merriwa.

The partnership between Merriwa and WDSS has allowed for students to see a clear employment pathway from school to work and truly experience the opportunities that are available for employment in our community.

At the beginning of November, Merriwa hosted several groups of students to give insight into the many roles available across each division and to see how they might match each student's interests and skills to placement opportunities, which has now evolved into individualised work experience placements.

Joanna Bate, Support Officer at Merriwa says “It's brilliant that we can provide this pathway for local students and give them a real taste of working with our team, carrying out tasks and experiencing a full day at Merriwa and Park Lane Nursery. We already have several team members working with us who have transitioned from WDSS which is such a great outcome.”

One of the highlights of the students' visit was an opportunity to speak with former WDSS students Tammie Evans, Corey Davis and Zach Maskell who are all excelling in their varied roles at Merriwa.

WDSS students in VCAL and Middle School levels will continue to visit the Merriwa and Park Lane Nursery sites as part of a structured workplace learning and work experience program.

