



Activ

ANNUAL REPORT 2008

Our Outcomes

Our Purpose – A Better Life

To provide a range of services for people with disability helping them and their families pursue a better life.

Our Consciousness – In Their Service

Service:	Service characterised by understanding and commitment.
Community:	An organisation that respects and engages connectivity between all stakeholders and the wider community.
Responsibility and Accountability:	Organisational and individual responsibility that aspires to meet our performance standards and to continuously improve.
Organisational Growth and Personal Development:	Engaging complexity and encouraging organisational and individual growth and personal and professional development.
Ethics:	Morality and a duty of care toward those we serve.



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Supported.

We provided homes to 250 people, assisted another 82 in their own homes and delivered respite care to 268.

Employed.

We provided jobs to 1045 people with disability and more than 1000 permanent and casual staff.

Developed.

We provided more than 110,000 hours of support to our programs in People, Skills & Community and Post-School Options.

Transported.

We transported 850 people daily to their schools, workplaces and other venues throughout the State.



Welcome to *Our Activ*

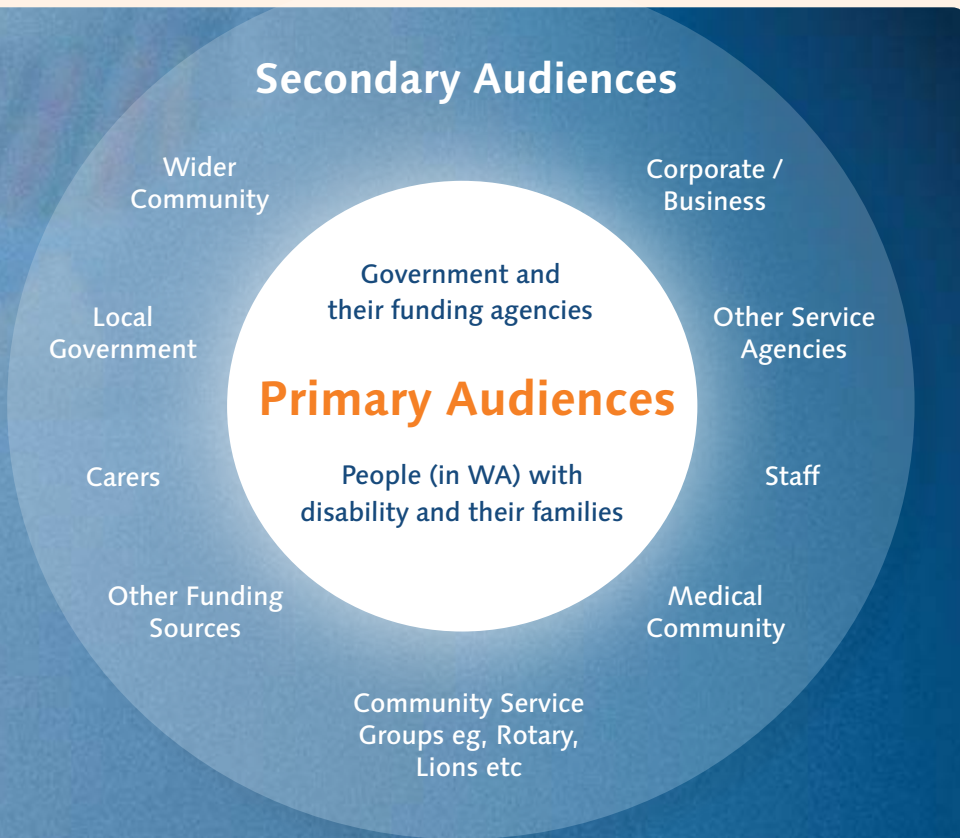
The theme of **Our Activ** has been chosen for this year's annual report. We believe it communicates a sense of ownership in our organisation that is shared by many groups of people within the broader West Australian community.

Our Activ assures our service recipients, their parents and carers that their needs will continue to be provided by a professional, well-managed organisation that has stood the test of time. They can be assured that Activ will continue to adapt to meet changing and future needs.

Our Activ emphasises a sense of mission to our staff members and the essential roles we all perform in moving toward the ideal of "*a better life . . .*".

Our Activ is a beacon for volunteers who provide us with their vital time, skills and support. We provide them with an avenue for community giving, a means to achieving a level of personal fulfilment through their ongoing, selfless contribution to our mission.

Our Activ provides our members with a sense of certainty, of continuation, of tradition. Many of them have been a part of Activ's growth from a small family-based organisation into a significant service provider that continues to be proud of its heritage.



Our Activ provides the disability sector and relevant levels of government with the assurance of a large, well-established, leadership organisation that is historically proven and capable of a continued and significant contribution in providing vital services to people with disability.

Our Activ is regarded by our Business Services' customers as a competitive, quality, reliable supply chain business partner with whom they each have a long-term, mutually beneficial commercial relationship.

Our Activ is recognised by the broader community of Western Australians for its longstanding contribution on their behalf in helping improve the lives of people with disability. Every year they acknowledge that commitment through their widespread support of the HBF Activ City to Surf and are now expanding that support to our new initiative, Activ Dragonfly Week.

Welcome to Our Activ.

Engaged.

We provided 520 service recipients with 96,000 hours of holiday, leisure and adventure options.

Volunteered.

We salute our selfless volunteers who provided more than 50,000 hours of invaluable recreation, sitter and other support services for families and carers.

Inspired.

We were joined by 30,000 of our fellow Western Australians in our annual community event, the HBF Activ City to Surf.

Created.

We developed and launched a new initiative, Activ Dragonfly Week that helps promote our mission within vital stakeholder audiences.



Activ Patrons

Dear Activ Supporter,

The unique economic climate we find ourselves in has raised some complex issues for community service industries and organisations in terms of the impact that it is having on their performance. As Joint Patrons, Julie and I are well aware of the extra challenges this has placed on Activ and similar not-for-profit community benefit organisations.

We are in a fortunate position in that we are regularly invited to visit and speak with people from a wide variety of industries, professions, backgrounds and experiences. Many have similar stories to share on the effects of these challenging times and with those facing increasing costs to deliver their services. Of course, disability isn't aligned with a particular demographic, but it would be fair to say that organisations that serve this constituency are generally characterised by their dependence on funding and fundraising. There is not usually much left over.

Activ, fortunately, has achieved a certain scale of operations during the life of its remarkable 57-year history of service to people with disability, their families, carers and the broader Western Australian community. This size and scale will undoubtedly serve as a strong contributor in its ability to withstand these challenging times.

We also have been made aware of the measures that the Activ Board and the management team have taken to further strengthen the organisation's performance and to structure it for future challenges.

President Peter Knowles' recently published comments about focus and patience struck a particular chord with Julie and me. As an engineer, I appreciate the development of world class processes and systems as a means of delivering optimal performance and output certainty.

Activ has been fortunate throughout its remarkable history that it has been driven by an unswerving commitment to its mission and purpose to "provide a range of services for people with disability helping them and their families pursue *"a better life..."*.

Julie and I would like to wish every success to Peter Knowles and the Activ Board, and to Tony Vis and the entire Activ team and extended Activ "family" as they continue the remarkable work that bases the organisation firmly "on the twin pillars of family and community".

***His Excellency, Dr Ken Michael, AC
Governor of Western Australia
and Mrs Julie Michael***

Activ President

Welcome,

This is my first annual report as President of the Activ Board since my appointment in October 2007. I am certainly honoured to have been given the opportunity to serve the organisation in this capacity.



The past twelve months have been characterised by a combination of economic conditions rarely encountered – on one hand a booming mineral sector and on the other, record energy prices and a global credit crunch. The combination has created significant volatility for all of us.

I am disappointed that in a period of such great wealth creation here in WA, we are missing an opportunity to apply a greater portion of the economic windfall to meet the needs of the more disadvantaged members of the community. Surely, there has never been a better time to “future proof” the lives of the vulnerable.

Activ is, in fact, pursuing such an initiative – unfortunately with limited access to the community profit pool. As a consequence, we have incurred a deficit of some \$2.5m for the financial year 2007-2008. This deficit, which CEO Tony Vis will discuss further in his report, is largely due to a deliberate reinvestment into new and replacement machinery, equipment, processes, systems and people in our Business Services. We will emerge with a far more sustainable commercial enterprise providing superior employment opportunities for our service recipients. Unfortunately, this reinvestment has coincided with an unfavourable cost environment impacting raw material and labour costs.

Our other core areas of Accommodation, People Skills & Community, Respite, Recreation and Sitter Services operate on lean models with budgets reflecting that not much is left over beyond the

cost of running these large and complex operations. When you encounter an unpredictable external environment with rapidly escalating labour and energy costs, it is easy to appreciate that it doesn't take much to move from surplus to deficit.

Whilst the Board views the deficit as unacceptable, and clearly unsustainable in the long term, all members of the Activ family need to understand that for the next two years, we must continue to reinvest for the future, and as a consequence our finances will need very careful management.

I say this because Activ is on a journey as an organisation and it's a lengthy one. We are in the process at the moment of building our capabilities for the future. Much of the development is ongoing and is not yet visible and results will be some way off.

We need to ensure that we focus on the delivery of the most effective range of services that meet the demands of our service recipients now – and well into the future. These services need to be delivered efficiently and in a sustainable manner.

We need to be focused on what we do and do it well.

I believe there are two qualities that we need to have for this journey. The first is “focus”. We need to stick with what we're doing and where we're going and to not allow ourselves to become disheartened by the perceived lack of pace. The other is “patience”. There are constraints on us as we are not a public or “for profit” company. We do not have the same freedom that exists in



Activ Board:

Back row, left to right:

Martin Alciaturi, Phillis Breheny, Tina Thomas, Leonie Walker, John Francks.

Front row, left to right:

Hazel Costigan (Deputy President), Peter Knowles (President) and Tony Vis (CEO). Absent: Matthew Battrick.

a commercial organisation. Everything is more complex and it takes longer to achieve momentum.

We are on a marathon, not a sprint. And we're not even half way along the 42km. But we have to keep going forward, with focus, with patience.

At the same time, we must confront the financial realities. We have a mission to fulfil over the long term. We receive government funding, government grants and generate our own revenue to meet our costs, and so we are exposed to changes in government policy and to changes in economic conditions. We need to find ways to "future proof" our own balance sheet.

Activ's focus has traditionally been on the development and delivery of its services. We need to expand that view to incorporate further fundraising. Generally speaking, our story has currency with the broader WA community but many other participants in our sector are much further along the fundraising curve to the benefit of their causes. Of course, we do have sound foundations with the HBF Activ City to Surf and the recently launched Activ Dragonfly Week.

I believe we need to continue to work on the efficient delivery of our services to ensure that we have a recognised, quality, sustainable product.

Thereafter, our fundraising success will depend to a large degree on our ability to demonstrate professionalism, sound governance and good management while effectively communicating the importance of our cause and mission.

We have an opportunity to put those criteria into practice in the new financial year when we embark upon a capital fundraising campaign as a contribution toward the significant costs of building Activ's central services facility in Wembley.

I would like to thank Tony Vis as Activ's Chief Executive Officer and his management team for their hard work in this past year. Thanks also to my fellow Board members for their counsel, expertise and commitment to ensuring Activ pursues its mission. I would also like to particularly acknowledge the substantial contribution of Hazel Costigan and John Francks who will be leaving the Board after many years service.

Finally, my thanks to you all as members of the extended Activ family. On behalf of the Activ Board, I wish you well and look forward to your continued contribution to this fine organisation.

Peter Knowles
President

Chief Executive Officer's Report

Members of the Activ family,

The 2007-2008 financial year could be characterised as one of transition for Activ, a status made even more challenging by the pressure of the current operating environment. Since being appointed Chief Executive Officer in October 2007 our energies have been focused on delivering further improvements to our core services and in ongoing review of organisational policies, processes, systems and capabilities.

Activ has continued to deliver on its mission "*a better life . . .*" within an operating environment that has weathered a change of federal government, rising costs, successive interest rate increases and an ongoing labour shortage caused by our state's continuing economic boom. Demand for services in the disability sector has never been higher and the capabilities of traditional service providers have never been so far stretched. Wages have grown, the cost of operations has soared, vacancies have increased and the right people for the jobs are getting harder to find – and to keep.

We are a "people" business. We deliver services to people with disability and their families and most of these services cannot be delivered in any way other than through people. And it is in this area that we incur most of our costs and where we are exposed to external pressures over which we have little control. All of Activ's operations have been exposed to these cost pressures and they have had an impact.

I applaud the efforts of the Activ team who have worked tirelessly to soften the effects of this challenging operating environment to ensure that we continue to deliver on our mission.

However, this year we recorded an operating deficit of \$2.5m. The operating deficit has occurred largely in our Business Services which has had a significant program of reinvestment to allow for the renewal and replacement of machinery and equipment, the upskilling of employees with disability and to increase productive capacity.

Without this investment the ability for Business Services to remain commercially competitive and to continue to offer productive employment to our 1045 employees with disability is seriously compromised. The combination of our reinvestment activities and the cost pressures experienced has impacted the margin performance in Business Services.

Although the cost side of the ledger continues to challenge, our other core service areas of Accommodation Services, People Skills & Community, Respite, Recreation and Sitter Services have returned a breakeven result.



Whilst there is a need for Activ to continue its reinvestment program, it is also imperative that we continue to review our organisational structure and to identify areas of service offerings where we can become more effective and efficient.

This will include the continuation of the roll out over the next few years of the group home model across Accommodation Services. This model delivers improved service outcomes as well as having the potential to better manage escalating operational costs in running group homes.

The development of our staff and employees will be a strong focus in the coming year. A revised staff work review process has been developed which will provide ongoing feedback to individuals and give them a greater sense of their work value and career. We aim to position Activ as a quality employer, an achievement that will present us to a pool of quality potential staff members, improve retention levels and provide more job satisfaction.

Another vital area is our volunteers. Many of our services simply could not be delivered without the assistance of this selfless group of Western Australians. We are not the first organisation to realise this and there are many like Activ who draw from this limited resource. Competition for volunteers in a tight labour market has never been higher and Activ will review its appeal and conditions for volunteers within this environment.

Beyond our internal initiatives and our activity within the sector, Activ also continued to further develop its presence in the broader community with the launch of Activ Dragonfly Week, which replaced our existing annual awareness week at the end of March. The inaugural week laid a solid foundation for this new program and a highlight for me was a state-wide Activ open day where we invited the WA community into Activ facilities to experience the wide range of excellent programs and job opportunities that we provide.

Further, we repositioned the Activ brand within our annual community sporting event – now known as the HBF Activ City to Surf. We aim to leverage the Activ profile within important stakeholder audiences as we prepare to embark upon a significant capital raising program to raise funds toward a new central services facility in Wembley. This building will provide a modern, purpose-driven platform for the organisation while also potentially housing key services and offering leasable space for complementary sector participants.

Our government funders are very important partners with Activ and I acknowledge and thank the Disability Services Commission, the Department of Families, Housing, Community Services and Indigenous Affairs, and Home and Community Care for their ongoing support.

Thanks are also due to Peter Knowles, our President, and members of the Board for their focus, guidance and patience in what has been a difficult time. Particular appreciation is due to Hazel Costigan and John Francks, long-term Board members, who have made an enormous contribution and who retire from the Board at the Annual General Meeting at which this report is presented.

Further, I am very grateful for the work and support of the Activ leadership team, management, staff and employees for their contribution this year. I look forward to working with you all on the many exciting challenges that lay ahead.

And no thanks would be complete without an expression of sincere gratitude to our sponsors, donors, volunteers and members. Our ability to make progress against our mission “*a better life...*” simply could not occur without your substantial and highly valued contribution.

Tony Vis
Chief Executive Officer



Activ® Business

Our focus is the generation of revenue, the development of further business opportunities and the creation of meaningful jobs.

Business Services

Who are we?

Activ Business Services provides jobs to 1045 employees (people with disability) and some 250 staff.

Our focus is the generation of revenue, the development of further business opportunities and the creation of meaningful jobs.

What do we do for you?

We operate 21 business units throughout Perth and regional WA.

Our core businesses include:

- Metal products
 - Timber products
 - Specialty packaging
 - Cray fishing supplies
 - General packaging
 - Property care
 - Textiles and
 - Rural services*
- (*includes elements of the above businesses)

How did we perform for you this year?

We incurred a deficit of \$2.5m. This deficit was largely due to a focused reinvestment into new and replacement machinery, equipment, processes, systems and people.

This reinvestment coincided with an unfavourable cost environment, impacting raw material and labour costs.

During 2007-08 Activ spent \$2.3m on business improvement capital items bringing our expenditure in the last two years to \$4.8m. Activ funded the operating costs of delivering, installing and commissioning this equipment.

Despite the impact on our financial performance, Business Services will emerge with a far more sustainable commercial enterprise providing superior employment opportunities for our service recipients.

On the plus side of the ledger, our team increased product sales by 31 per cent to \$11,992,730. This is a significant achievement. The number of long-term contracts is increasing and our top 20 customers have increased in value from \$3.8m in 2005-06 to \$6.2m in 2007-08.



"Activ Business Services provides jobs to 1045 employees (people with disability) and some 250 staff."

We also received \$360,000 non-recurrent special investment funding from FaHCSIA during 2007-08. This was the balance of a funding commitment of \$1.1m delivered over two financial years.

This funding has enabled a significant advance in mechanisation and in the pursuit of increased productivity and sales. Downtime was significantly reduced and employees enjoyed more diverse and challenging roles in making products and providing services for the WA economy. This funding directly resulted in higher employee pay and enhanced employee satisfaction.

What were some of our achievements?

Business Services has now opened three new workshops in the last two years including:

- Malaga introduced our services into the Northern corridor of the metropolitan area and focused on general packaging contracts.

- Midland was commissioned during 2007-08 and focused on property care services in the Eastern suburbs.
- O'Connor replaced the old Fremantle building which was converted to a property care and plant rental business. This generated increased new levels of efficiency in our packaging business and delivered productivity growth.

Activ continued to roll out Property Care services across its business units and this service has ongoing projects from Kalbarri to Albany and from Perth to Kalgoorlie. A new Property Care location in Midland has been fully established while Kalgoorlie and Albany won tenders for maintaining school lawns. Albany is now doubling its Property



Care capacity. We now operate Property Care crews in Kalgoorlie, Esperance, Albany, Busselton, Geraldton, Rockingham, Fremantle, Osborne Park, Narrogin and Midland.

The roll out of Textiles Services has also been completed and we are now looking at expanding our sales range by importing more products and selling more successful products across our business sites. The textiles business in Kewdale was closed down and this work was then relocated to country sites and to Rockingham. The expansion of our timber production capacity is continuing. Activ gained ISO accreditation for Geraldton, Rockingham, Bunbury and Albany. Production is expanding rapidly as we increasingly focus mechanisation and capital expenditure on this sector. Demand for timber products currently exceeds our capacity to supply. Timber production in Albany has grown strongly with supply to two significant local pallet customers. Pallet manufacturing has also begun in Rockingham.

Our metal business expansion got underway during 2007-08 and increased significantly in the second half of the year. Several clients are in discussion on the supply for more metal production at Bentley using our press machines.

What benefits did we deliver?

The delivery of competitive and efficient services and products helps our business clients reach their goals.

The generation of substantial revenue helps Activ continue to provide its comprehensive range of quality services to all service recipients.

Employment provides people with disability the opportunity to develop new skills and contributes to the development of self-confidence, new levels of independence and social interaction.

What are we working on next?

We are now set to capitalise on the significant reinvestment we have made into our productive capacity. Our two major objectives for 2008-09 are to achieve a sales target of \$14m and to significantly improve our surplus gross margin.

Business Services is reviewing all business processes and implementing new systems to improve workflow control and job costing capabilities. Reviews of our sales system integrity have been initiated and improvements will be introduced. A regular internal audit program has also been implemented which reviews purchasing, sales, cash management and more. As a result of these audits Activ introduced many system improvements to reduce the risk of errors or losses.

Consistent with identified improvements in our customer relationship management processes, our financial systems are being further modified to meet standard commercial practices.





Activ[®] Employment

We provide a supported employment environment where new skills are learned, new qualifications are obtained and confidence and self-esteem grow.



Employment Services

Who are we?

Activ provides employment opportunities for people with disability. Our workplaces have resource infrastructure capable of providing employment to individuals with different skills to help them obtain and retain employment.

Funded by the Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), the Disability Employment Assistance Program aims to help people with disability participate actively in community and economic life by supporting them in employment and/or related social and community activities.

What do we do for you?

Employment Services provides an environment where a person with disability can get a "fair go". We provide a supported employment environment where new skills are learned, new qualifications are obtained and confidence and self-esteem grow. These benefits contribute to an increase in the capability and capacity of the individual.

Business Services and Employment Services strategies are aligned. We offer supported employment options to people with disability that are aligned with our key business strategies that seek ongoing contracts for products and services in a wide range of industries.

How did we perform for you this year?

Our employees grew to 1045 and we are increasing efforts to further grow this number. We gained 25 new places from FaHCSIA on Jan 1, 2008. By June 30, 2008, we had 26 employees that were employed by Activ (and not funded by FaHCSIA) as well as a further 24 employees on funding suspension (extended absences from workplace). The graph at figure 1. illustrates the growth.

Figure 1 : Employee growth 2007-08



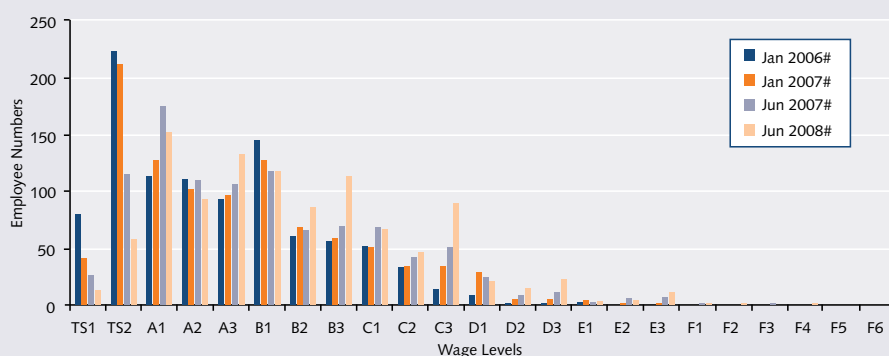
The skills of our employees grew significantly and work quality increased as new processes and technology were introduced. Wages paid to employees also increased, acknowledging changes to the work and the expansion of the volume of work being done.



"We work to develop the capability and capacity of each individual employed in our Business Services."

The success of the business improvement program is illustrated in figure 2, showing the distribution of employees across the wage brackets. Our employees are consistently migrating to greater levels of skill and pay.

Figure 2 : 2006-08 Employee Wage Distribution



The *Pave the Way* category of the 2007 VET Equity Development and Innovation Program funded by the Department of Education and Training was extended this year which enabled us to continue with our Transition to Employment Program – Get Out There. This program was piloted last year at East Victoria Park and continued in two sites this year. East Victoria Park and Osborne Park hosted the accredited program with all students achieving positive outcomes. These results included:

- Gaining a Certificate I in Leadership Development
- Receiving a Statement of Attainment towards this qualification
- Obtaining ongoing employment; and
- Participating in further study.

South-West VET link also aided Employment Services in rolling out this program in the Bunbury area in conjunction with the South-West Regional College.

Activ's performance against the 12 Commonwealth Disability Standards was again assessed by an

external auditor. These audits were conducted in Bunbury, Busselton, Manjimup and Jolimont. Activ was again assessed as having delivered an exceptional level of service and support.

These recommendations ensure Activ's Business Services remains eligible to receive funding of more than \$13m per year from FaHCSIA.

What benefits did we deliver?

Employment Services drove the development of Activ® Pathways as a Registered Training Organisation.

Our team has developed strategies and initiatives to support our core business and organisational needs while providing a diverse range of learning methods to create an engaging learning experience for people with disability.

Our central focus is to assist each person to develop their potential, gain recognition of their work skills and enhance their future. This person-centred focus arises from Activ's long standing quality reputation as a provider of supported employment and disability services.

Our current scope is:

- Certificate I in Leadership Development
- Certificate I in Horticulture
- Certificate II in Horticulture
- Certificate I in Manufacturing (Pathways)

The key feature for the training and assessment of these programs will be workplace learning. It will be meaningful, practical and relevant combining both on the job and off the job experiences.

What are we working on now?

We are currently developing new approaches for employee skill development and competency-based training. The development of Activ Pathways and the ensuing roll out of these programs will continue to provide further choices and opportunities to our employees.

FaHCSIA, which funds Activ's Business Services, continues to provide timely and relevant support to each site and Activ's management team. Activ will continue to liaise with the Department's team in WA in planning future service developments.

Activ has seven strategies to increase employee levels:

- Convert unfunded places to funded places through natural attrition (ie when a funded employee leaves, the allocation can be transferred to a previously unfunded employee).
- Advertise throughout WA for employees.
- Improve (via expanded commercial contracts) the availability of a wider range of supported employment jobs within Activ's Business Service and improve the quality of work being offered to supported employees.
- Offer Activ's supported employment services at a larger number of business unit sites. We now have Malaga, O'Connor and Midland fully operational.
- Undertake a range of initiatives to improve our relationships with schools, Job Capacity Assessors and the Disability Offices at Centrelink.
- Offer employees and potential employees accredited training programs such as the "Get Out There" program and the "School to Bridge" program. This is aimed at showing potential employees and their parents that Activ offers a progressive training and development focused environment in which to work.
- Improve the presentation of Activ's various workplaces to increase appeal to employees and their parents. Facility upgrades including new signage, grounds and garden improvements, bathroom facility improvements, building repainting and training facility improvements.

Activ is examining longer term options to enable the improved management of linking supported employment with post school options programs, ATE programs and post employment programs for ageing employees.



Activ[®] Community

We help people with disability live their lives as independently as possible and help them develop life skills that enhance that experience.



Accommodation Services

Who are we?

We help people with disability enjoy life as independently as possible and provide three state-wide programs to help achieve that aim. These include permanent accommodation, community support and out-of-home respite services.

What do we do for you?

We help people with disability develop life skills that enhance their experience. We provide respite relief for carers and for people with disability and provide them with opportunities to enjoy their lives as fully as possible.

How did we perform for you this year?

We provided quality accommodation services, respite and community support to 600 service recipients including:

- Permanent accommodation for 250 people
- Community support to 82 people
- Respite care provided to 268 people.

Independent monitors appointed by the Disability Services Commission (DSC) assessed 15 accommodation, community support and respite services during the year. These services were monitored against the Disability Services Standards. Several reports cited no required actions or opportunities for service improvement. This is a significant achievement and testimony to the quality of support provided to our service recipients by our staff at all levels within the organisation.

Our respite services in Bunbury have grown in the last year. The service that Activ took over from a private provider in Bunbury has continued much needed respite services to a growing number of families. In both metropolitan and country areas we have seen growth in the number of children with autism to whom we provide respite.

All of our respite services continue to operate at high levels of occupancy. Adult service recipients have the option of continuing with their day placements (work or Alternatives To Employment options) or spending time at a respite facility and taking part in a variety of activities.



What were the benefits?

Families of children with autism who had previously had little or no respite were able to have the break they needed to help them continue to look after their wider families. In addition, adult children of older carers were given the opportunity of taking up group or independent living supports through funding made available to older carers.

What are we working on next?

We faced challenges with staff recruitment and retention, an issue that has a direct impact on our ability to maximise our services. Many managers and supervisors have had to assume direct care roles to enable us to continue to support our service recipients.

Focus groups were held during the year that brought together staff from all levels of Accommodation Services. These sessions produced ideas for the future, particularly in the area of how we recognise and reward our staff.

We trialled a new method of staffing in one of our group homes to support two service recipients with autism. This staffing model has proven successful and provides another option in meeting the needs of some of our service recipients.

The Federal Government has provided funding to assist ageing carers both in the provision of supported accommodation options as well as family support and respite services. Construction of the new accommodation facility in Gwelup is scheduled for completion in early 2009.

"We provide respite relief for carers and for people with disability and provide them with opportunities to enjoy their lives as fully as possible."

People, Skills & Community

Who are we?

We renamed this service (previously Alternatives to Employment) People, Skills & Community to better reflect the range of services Activ offers including:

- Alternatives to Employment (ATE)
- Post School Options (PSO)
- Pay for Service
- Intensive Family Support (IFS)
- Home & Community Care (HACC)

What do we do for you?

We promote and offer opportunities to Create, Connect, Belong and Learn.

Depending on eligibility for services; individual or a combination of programs are available and can be modified to suit needs including:

- Life skill development programs
- Centre based day care
- Interdependent community connections
- Social participation/support
- Care giver respite services

We support and encourage people with disability to be involved and connect with the life of their community while promoting skills development, enjoyment and "a better life...".

How did we perform for you this year?

Our core achievements included:

- The delivery of 110,000 hours of service to individuals in ATE/PSO placements in 11 locations
- HACC programs delivered services to 600 consumers in eight regions

Activ was invited to participate in the launch of a new initiative by the Department of Education, the "Seamless Transition to Alternatives to Employment Trial 2007".

This offered students with high support needs attending education support schools (eligible for Disability Service Commission Alternatives to Employment programs) the opportunity to undertake transition to a nominated service provider.

We support and encourage people with disability to be involved and connect with the life of their community.



The pilot outcome was to ensure a smooth transition from school to adult life and the essential driver was schools, families and service providers working together to support the transition. Activ placed 14 young adults across five locations, one of its highest PSO outcomes.

Fashion parades, a gala ball, ten pin bowling tournaments and numerous other regional programs attracted one and all to enjoy social functions offered across Western Australia in Activ HACC services.

A major highlight of the year was the Makaton Musos performance at the annual "In Tune" Australian Society for the Study of Intellectual Disability conference in Fremantle which provided a fitting finale to the conference.

What are we working on now?

We were successful in gaining a grant from the Disability Services Commission for the implementation of the four Alternatives to Employment outcomes which will be used to train staff, implement documentation to capture individual needs of service recipients and to establish a data base of community resources in 2008-09.

Activ is working on establishing HACC – Centre Based Day Care - in Beaconsfield to provide service recipients with an opportunity to participate in group activities.



Home and Community Care

Who are we?

We provide a respite service where support workers provide assistance within a home setting. They coordinate activities that can include helping a young person with disability to complete homework and helping with computer studies or outdoor activities.

Services are provided in eight metropolitan locations and country regions

What do we do for you?

Social support and centre-based day care services are provided within the community. Respite is provided in the family home. The aims of the Home and Community Care (HACC) program are to:

- Provide a comprehensive, coordinated and integrated range of basic maintenance and support services for people with disability and their carers
- Support HACC eligible service recipients to be more independent at home and in the community thereby enhancing their quality of life and/or preventing their inappropriate admission to long-term residential care
- Provide flexible, timely services that respond to the needs of service recipients.

Family bookings are arranged by the Assistant Coordinator team based at Jolimont. Support workers are allocated to visit the family home and/or meet the service recipient in the community.



How did we perform for you this year?

Activ received growth funding this year from HACC. This is the sixth consecutive year of steady growth. Funding from HACC has now reached \$1.97m and this has enabled Activ's Home Care program to deliver service to 610 service recipients.

What benefits did we deliver?

Steady growth in HACC funding has enabled service expansion to more families across most of the metropolitan area and in the Great Southern, South-West and Midwest. We began a new service in the Goldfields region in Esperance.

What are we working on now?

We are working on identifying and delivering more services to help individuals and their families enjoy a *better life*. Activ Home Care has again made an application to HACC to increase services across the metropolitan and regional areas of WA. Activ has also requested additional funding to expand HACC services into the Wheatbelt and we are applying, for the first time, for Home Maintenance to be delivered by our Property Care team and Domestic Assistance service.



Recreation Services

Who are we?

We offer a comprehensive range of recreation and holiday programs for adults with disability. This includes day programs and weekends away along with holidays (intrastate, interstate and overseas). Those who take part in Activ holidays enjoy a range of respite, recreation, social and travel opportunities in a safe and supported environment.

What do we do for you?

Recreation Services works together with our service recipients, their carers and families to ensure individual support needs, interests and budgets are considered in selecting the most appropriate program options. Our team of experienced and dedicated staff and volunteers remain committed to supporting the emotional and physical needs of our service recipients. Staff, volunteers, families and carers continue to work collaboratively in developing new and innovative program options for our service recipients.

How did we perform for you this year?

Recreation Services provided some 520 clients with 95,700 program hours on a variety of day and overnight programs. Program types offered include:

- Day programs
- Weekend programs and special events

- Mid-week country escapes
- Summer camps and tenpin bowling programs
- Activity and adventure based programs
- Intrastate, interstate and overseas programs.

What benefits did we deliver?

Our service recipients enjoyed supported recreational and holiday options whilst also having the opportunity to make new friends and develop their social networks and experiences. Families and carers also benefited from the respite opportunity.

Recreation Services volunteers contributed some 32,800 hours of their time and support to our recreation programs. Without their support the quantity and range of programs currently offered would be reduced and in some cases cease to exist.

What are we working on?

Recreation Services continues to work on providing new and exciting programs each year and remains committed to meeting the changing needs and interests of our service recipients. Demand will again see expansion of our activity and adventure-based programs. Work has also commenced on developing our Saturday Recreation Program with the ambition of increased places available in 2009.

We continue to identify new and beneficial training for our volunteers and will be working together with the Volunteer Manager to increase the number of volunteer opportunities offered within Recreation Services.



Volunteer Services

Who are we?

Our volunteers make an invaluable contribution to Activ and its service recipients in providing a wide range of care, support and assistance. Volunteers are essential to Activ's operations – without them our services would only be a shadow of what we are able to offer.

What do we do for you?

Our volunteers play a role in practically every aspect of our organisation. They are valued for their contribution in providing respite assistance, recreation and sitter services. Volunteers also participate in our recreation and holiday programs, People, Skills & Community, Accommodation and Business Services, thrift shops, support groups and fundraising events.

How did we perform for you?

Our 300-plus volunteers dedicated more than 50,000 hours in 2007-08.

Volunteer Services also offered more than 50 TAFE/University student placements or work experience in our facilities to gain an understanding of the rewards and challenges of volunteering for Activ.

Fundraising events continue to attract a large response. The 2007 HBF Activ City to Surf was supported by 625 volunteers ranging in ages from

15 to 80 years. Volunteers also assisted during the inaugural Activ Dragonfly Week celebrations in March 2008.

Activ further developed volunteer recognition by celebrating important events including International Volunteer Day and National Volunteer Week. During National Volunteer Week in May 2008 a breakfast was held for metropolitan volunteers and various recognition functions were held to celebrate the contribution of our regional volunteers.

What benefits did we deliver?

Our volunteers can probably best describe the benefits:

"I love the opportunity in taking groups of people with disability away on a program and being rewarded by their smiles. This gives you a sense of satisfaction knowing you are part of their lives." Sam – Recreation Services, Volunteer.

"Senior citizens have skills and knowledge and are an untapped volunteer source. It is to the credit of Activ that they recognise these resources and give them the opportunity to continue to contribute to the community." John – Sitter Service, Volunteer.

What are we working on now?

Our biggest challenge is the retention of volunteers and the replacement of those who can no longer continue to serve in the role. The volunteer landscape is as competitive as any other in the broader community. There is a wide range of organisations who are competing for a limited number of volunteers. Activ needs to ensure that it is recognised as an industry leader with the most sophisticated and supportive volunteer programs. We will continue to develop our strategies for the attraction, training, support, retention and recognition of volunteers.

Library Services

Who are we?

We provide information and resources to parents and carers, staff, members and volunteers, teachers and other care professionals.

What do we do?

We provide access to books, journals, websites, dvds and videos on disability. Our collection features resources to assist with social skills, employment, behaviour, independent living skills, parenting, literacy, health, education and much more.

How did we perform for you this year?

During this year the library has answered 2008 queries; and supplied 3012 resource loans and journal articles to our 992 members. We have been working on promoting resources suitable for people with disability, specifically those promoting independent living skills and literacy development.

The Parent Portal has been successfully providing easy access to relevant information for families and carers for six years. This year has seen a great increase in popularity of the portal. We can report over 4000 hits per month on average for the first time ever.

Our library staff participated in the ASSID conference in Fremantle in November, both in attendance and in hosting a trade display. It was a good opportunity to promote our services and resources and to meet some of our rural and remote borrowers who attended the conference.

Activ® Library ran an Art Competition for People Skills & Community service recipients this year, which has brightened our walls in the library greatly. The competition was very successful, the winning entries came from the Fremantle centre and the award ceremony was enjoyed by all. We look forward to growing this connection in the future.

What are we working on now?

We are participating in a local disability information network, which aims to enhance the availability of information in WA, encourage networking and the sharing of knowledge, resources and skills.

We continue to develop our connections with local groups, such as the Healthy Start (National Strategy for Children of Parents with Learning Disabilities), families, and disability organisations. We are also networking with Activ facilities like People, Skills & Community, to encourage use of library resources, participation and access for all. We would like to grow our collection of resources for use by people with disability and run programs in the library to promote their use.

We are committed to growing our library collection, promoting and maintaining access to quality resources on disability for Activ and the WA community.



Transport Services

Who are we?

Activ® Transport Services operates two bus fleets. We have 56 permanent part-time staff and 20 relief staff. We are responsible for 38 daily bus runs, Monday to Friday in Perth, Geraldton, Rockingham, Mandurah and Bunbury.

What do we do for you?

One fleet transports students with disability to and from school. The school bus fleet operates 13 bus runs in Geraldton, Perth and Mandurah and transports some 250 passengers daily.

DSC funds the second fleet for service recipients who are unable to independently use public transport. This service transports some 600 passengers daily to and from Activ workplaces or People Skills & Community centres. The DSC-funded fleet operates 25 bus runs that service Geraldton, Bunbury, Perth and Rockingham.



How did we perform for you this year?

Activ Transport Services developed a transport-focused training program to enable our staff to provide the best possible service. In 2007-08 we provided Managing Challenging Behaviour training to all of our staff, with the assistance of National Disability Services and Austral College. We had excellent feedback, especially from principals, who saw a remarkable difference in the behaviour of students. Training is ongoing and a further refresher course will be offered during 2008-09 to all Activ Transport Staff.

What benefits did we deliver?

We safely transported some 850 individuals to their schools, workplaces and People, Skills & Community facilities in Perth and key regional centres.

What are we working on next?

Fares will be aligned 100 per cent with the mobility allowance set by Centrelink in 2008-09 and a new pre-book, pre-pay system will be introduced. This will help Activ continue to provide this vital service as efficiently as possible.

Changing passenger needs remain a significant issue for the DSC funded fleet with more passengers requiring greater assistance and support. This has placed pressure upon the limited staff resources that are funded by DSC. Journey times continue to be an area of concern. Demand for services particularly in Perth's "northern corridor" is another issue. We will introduce two additional bus runs in high demand areas.

As part of the solution, five vehicles have been purchased, thanks to a number of bequests that have been directed to Activ. Our Public Transport Authority contract will fund the purchase of five new school buses by 30 August 2008 along with the potential redirection of four good condition buses (with air-conditioning) within the DSC funded fleet.



Activ Corporate

*Activ's core services are supported
by professional staff across a
diverse range of skill sets.*

People Services

"Activ is committed to providing an environment in which we help our staff achieve the organisation's mission and create a workplace experience that is consistent with our values."

Who are we?

The People Services team comprises staff members who focus their efforts in ensuring the most important resource of the Activ community, our people, is supported and growing with Activ.

What do we do for you?

The People Services team offers operational support and is responsible for providing quality services across a range of human resource policy and advice areas including, Employee Relations, Payroll, Recruitment, Organisational Development, and Health and Safety.

How did we perform for you this year?

In 2007-08, we supported organisational growth by: recruiting the right people for our jobs; helped staff maximise their income by rolling out a new approach to salary packaging; acknowledged the importance of achieving work-life balance by increasing flexible working arrangements; continued to efficiently pay 1000-plus staff fortnightly; and reduced staff turnover.

Communication is a vital ingredient in the success of Activ, therefore we sought feedback through a culture survey, and generated discussion through regular staff forums, as well as conduct quarterly review meetings across all operational areas. This feedback led to: the current review of our policies and procedures; a more tailored induction program;



a systems health check, resulting in enhanced reporting; more efficient automated forms; and the implementation of an e-recruitment system (Big Red Sky), which provides online lodgement of applications and web based administration for more efficient recruitment practices.

What benefits did we deliver?

In conjunction with the Hay Group, People Services have evaluated each position within Activ to develop a new approach to rewarding our people, which resulted in a revised salary framework. Activ is committed to remunerating fairly and comparatively in line with sector markets, and our new framework takes into account the responsibilities and accountabilities of our staff and their performance. We aim to provide benefits that attract, retain and motivate the right people, whilst adhering to state and federal legislative requirements.

Activ values our staff and recognises the importance of investing in learning and development strategies. To offer growth and career opportunities, our Organisational Development team supported individual skills and capabilities, with an increase in training activity this past year; as well as, ensuring

staff are confident, competent and sensitively trained professionals to deliver appropriate support services to people with disability and their families.

What are we working on now?

The focus for the coming year is consolidation improvements to the work environment and systems at Activ. You will see the introduction of GROW - Giving and Receiving Ongoing Work feedback which ensures our staff and managers regularly talk to each other about their work, goals, expectations and performance. We will also introduce Activ work attire to be available to all staff, updated policies and procedures, a payroll system upgrade, the introduction of a new collective agreement, development of an online induction tool, further review of staff benefits, and a revised approach to the management of Activ's casual staff.

Through staff engagement with our purpose, strategy and values, Activ will not only improve outcomes, but will increase staff job satisfaction. In the coming year People Services will further develop our staff in understanding the importance of living Activ's values when interacting with each other, our service recipients and their families.



People Services – Health and Safety

Who are we?

The Health & Safety (H&S) team is responsible for ensuring our people, the most valuable resource of the Activ community, are kept safe and healthy.

There are 47 staff health and safety representatives throughout the organisation who significantly contribute to ensuring Activ continues to be a safe workplace.

What do we do for you?

A focus on health and safety within Activ ensures that each individual who is part of the Activ community is able to fully participate in their work and personal life. The H&S team has strived to achieve this in 2007-08 by implementing and integrating Activ's Health and Safety Policies and Procedures in each facility.

How did we perform for you this year?

The H&S team built on momentum created in the previous year and significantly realised a further decrease in all areas related to incidents and work related injuries within our workplaces.

There has been a significant decline in the amount paid in workers compensation with a strong focus on avoidance of injury, and rehabilitation to return to work as quickly as possible if injured.

Total incurred staff claim costs as at June 2008

	07-08	06-07	05-06
Total Costs	\$227,913	\$668,736	\$2,193,862



This proactive injury management approach has resulted in reduced claim costs as well as a continued decrease in the number of lost time injuries within Activ workplaces.

A lost time injury is that in which the individual will miss a full shift of work. The Lost Time Injury Frequency Rate (LTIFR) is the number of lost time injuries recorded per million hours worked.

2007-08 saw a continued decrease in the LTIFR within Activ.

	07-08	06-07	05-06
LTIFR	6.24	9.88	20.35

Further improvements on claims information include:

	07-08	06-07	05-06
Total Claims Lodged with our Insurer	104	110	96
Total Lost Time Injuries	19	24	44



What benefits did we deliver?

The H&S Committee met monthly to discuss various health and safety issues within Activ. The H&S Committee comprises staff and management representatives and aims to provide solutions to issues raised by staff, management, employees and other key stakeholders.

Several new facilities were opened within Activ Business Services. The H&S team ensured that these facilities were operational in accordance with all requirements.

The H&S team also continued to integrate with Activ policies and procedures in each area of the organisation to ensure Activ remains a safe workplace.

What are we working on now?

A continued aim to further reduce LTIs and focus on further reducing our workers' compensation claims costs.

The 2008-09 year will have an emphasis on the education of line managers to further improve their understanding of the contribution they can make to reduce workers' compensation claims as well as improving efficiency, cost and morale through the implementation and management of health and safety within the workplace.

We will continue to remain pro-active in dealing with H&S issues and to improve our practices to become leaders in our industry.

Marketing and Community Relations

Who are we?

We are responsible for making Activ well known and valued to you as your preferred support provider and as a leading disability services organisation.

What do we do for you?

We tell you what we do as an organisation and what support and services we are capable of providing. In doing this we seek to communicate our values, experience and accomplishments in helping you make the most informed decision about service provision.

How did we perform for you this year?

A three-year marketing action plan was developed and is under execution.

We re-engineered Activ Awareness Week into Activ Dragonfly Week. The week comprised a series of high-profile events targeting different sections of the community. The week included the Activ Dragonfly Corporate Luncheon, Ball, Family Fun Day, Debate, Art Expo and Community Open Day.



An extensive pro-active media relations strategy was implemented, which has seen the coverage of Activ's role in the community significantly elevated.

We embarked upon a process of building upon Activ's re-branding by energising a new range of marketing information material. Presentation Builder has been populated, and will provide a means for consistent electronic presentations, both internally and externally.

We also re-branded and engineered the HBF Activ City to Surf (including the Activ name back into the event) which continues to be run by Corporate Sports Australia. Other initiatives included the



introduction of integrated online fundraising, a new website, pro-active public relations and re-vamped marketing of the event. Cathy Freeman was appointed as event ambassador.

Finally, we won both a bronze medal and a special finalists' award for communication (not for profit) in the Australasian Reporting Awards for our 2007 Annual Report. The acknowledgement is given for excellence in clear communications. Further, we were short-listed finalists in the Price Waterhouse Cooper's Not-for-Profit Annual Reporting Awards.

What benefits did we deliver?

An increase in media coverage has accelerated the development of Activ's brand awareness and comprehension.

We completed a communications audit and launched a comprehensive new suite of

communications products in electronic and print mediums. These publications have been well received by stakeholders.

A new flagship corporate video, "Taking Care of Business" was launched to better inform a wide range of stakeholders of the highly skilled workforce that Activ employs, and to refute the myths of "sheltered workshops".

We also embarked on a process of legally protecting Activ's branding and intellectual property.

What are we working on next?

We will expand our communications audit to analyse and overhaul the Activ website. A new fundraising strategy will be executed. A recruitment marketing campaign will be implemented that will not only address personnel shortages, but further enhance the Activ brand. We will also be building upon the inaugural Activ Dragonfly Week, and continuing to improve our outcomes from the HBF Activ City to Surf.



Property Operations

Who are we?

We build and lease new Activ homes and Business Services' properties throughout the state. We also maintain and refurbish existing dwellings.

What do we do for you?

We ensure a high standard of quality accommodation to enable service recipients to live as independently as possible. We construct and modify dwellings to meet the needs of service recipients to ensure they live comfortably and safely.

We provide a range of suitable industrial properties for Activ employees.

How did we perform for you this year?

- Albany Accommodation restructure: Concept plans for our Stead Road land have been completed and we are now finalising drawings for the Development Application. Construction will begin early in 2009.
- Restructure of Activ Albany Business Services: The revised concept plans for the construction of the new Minna Street business service have been completed and we are now finalising drawings for the Development Application. Construction will begin early in 2009.
- Disposal of the Cockburn House respite care facility in Spearwood was completed in September 2007. The service was transferred to our new respite care facility in Coolbellup.
- Walters Retreat Extension: A one-bathroom, one bedroom extension was completed by the Department of Housing & Works.
- Brolo Court, O'Connor: A replacement rental property for Fremantle Business Services was leased in O'Connor. The property was handed over in August 2007 and modifications,



including additional toilets and canteen facilities, were completed in January 2008. The service commenced operation in February 2008.

- New Group Home: The Department of Housing & Works is constructing a six-bed mobility home in Yangebup for Activ. This house will provide replacement accommodation for service recipients who now require a home environment that will cater for their mobility needs. The house will be completed in August 2008.

Maintenance

Regular maintenance is essential and a substantial budget was allocated for maintenance identified in the three-year cyclical maintenance program applicable for all our properties.

Fleet

A greater variety of vehicles has been introduced into the fleet this year with an emphasis on fuel efficient, eco-friendly models. Many of the larger pool vehicles have been replaced by compact models which have better fuel economy and lower carbon emissions. The replacement of "people movers" has continued, leaving only four vehicles that are greater than five years old.



Cambridge Street, Wembley

After due consideration of the potential use of this site the Board resolved that it would be used to develop Activ's new "Central Services" facility to replace the ageing Bishop Street site. In June 2008 the Board approved a three-storey concept plan. Work has now commenced on the finalisation of the Development Application and the exploration of funding from a range of sources.

What benefits did we deliver?

We ensured that our service recipients enjoyed homes that were safe, comfortable, well maintained and added to their quality of life.

We continued to provide new homes to ensure that we can meet future demand and the needs of our service recipients at a level consistent with Activ's professional reputation.

What are we working on next?

The following projects will be progressed in the next financial year:

- Read House, Esperance: Activ has received non-recurrent funding to construct a respite care unit adjacent to our Read House facility. Planning approval has been granted, however, difficulty is being experienced in appointing a builder.
- North Metro - Accommodation Restructure: A three-unit cluster model is being built in Gwelup

to replace some of our ageing housing stock and to introduce operating efficiencies based on our 'preferred housing model'. Site works commenced in April 2008 and completion is anticipated in early 2009.

- Bunbury Accommodation Restructure: Work has commenced on the development of two duplex pairs on Activ's land in Australind. Similarly, land is under offer in Eaton for the proposed construction of a further two duplex pairs. Preparation work has commenced with our architects for the design phase of this project.
- Geraldton Business Services will have a new storage shed and a new welding shed to assist with a range of business initiatives, including the provision of additional storage facilities for finished products and to provide a covered area for the expanded Property Care division.

"We ensure a high standard of quality accommodation to enable service recipients to live as independently as possible."

Information Services

"Our systems provide the platform that help Activ carry out its mission."

Who are we?

The primary role of the Information Services department is to provide effective information management and corporate communications, including internet and intranet site management.

What do we do for you?

We provide the technology platform, systems, processes, resources, initiatives and maintenance that enables Activ to carry out its mission.

How did we perform for you this year?

This year the Information Services department continued working on the consolidation of improvements made during the previous year, focusing on building a robust, secure, high performance environment.

The transition of all sites from dial up to broadband was completed, including an upgrade of fibre links to our larger Business Services sites. All of these links are now monitored in real-time from Central Services in Jolimont, giving us visibility on the performance and reliability of all communications.

We deployed new backup software and installed a large UPS, to protect vital operational data. In the event of a power failure, Activ's operations can now continue running for up to one hour, allowing proper shutdowns and reducing the risk of data loss.

Additionally, improvements were made to our Citrix environment, to allow staff to work more efficiently and effectively both in the office and away from the office, whilst still maintaining a highly secure environment.

In conjunction with ongoing improvements to hardware and the network, Information Services have been working hard on implementing a new Client Management System application which will

improve the consistency and completeness of our service recipient data storage, and improve both the accuracy and efficiency of our reporting.

What benefits did we deliver?

Most of the technology enhancement projects have focused on consolidating and integrating Activ's technical infrastructure. In addition, we have made considerable progress towards our ultimate goal of providing more efficient, timely access to reliable operational data, allowing Activ to be proactive in its decision making.

What are we working on now?

The focus for the coming year is one of strategic direction including:

- Develop a collaborative integrated environment in order to facilitate consistency across information resources and systems. Adopt a corporate approach to the deployment of information systems and technology.
- Review and improve the IS hardware and software purchasing and vendor liaison methodology.
- Develop and enhance a new IS project management framework in order to better monitor and execute information management and information technology projects.
- Complete and deploy the new Client Management System, and embed its use into standard operating practices at Activ.
- Continue to research new solutions that will help increase operational efficiencies which will result in our ability to deliver a better quality service.
- Continue our focus on staff development, increasing the depth and breadth of skills within the department to better serve our internal clients.

Activ Governance and Financial Reports

Governance Report

Governance

The function of the Board is to represent Activ members, service recipients, their families and other key stakeholders in determining and demanding appropriate organisational performance for the services provided. In doing so, the Board is committed to meeting all legal and moral responsibilities and requirements accompanying sound corporate governance.

The Board governs with an emphasis on outward vision and strategic leadership in an environment that encourages a diversity of opinions and views. The Board makes collective decisions on issues, subjects and topics that have a clear distinction between the roles of Board and Chief Executive.

The Board appoints the Chief Executive Officer and his performance is appraised by the Chairman in conjunction with the full Board.

The Board has a Governance and Nominations Committee which provides advice and assistance to the Board in relation to maintenance and continuous improvement of the governance processes and monitoring of continuous improvement of the Board.

The Audit and Risk Committee assists the Board in the effective discharge of its fiduciary, stewardship, and control responsibilities by monitoring and advising on internal control and risk management systems and by advising on a policy framework for the delivery of an effective and efficient audit function within Activ.

The Board is committed to the adoption of ethical, business-like and lawful conduct in all areas of its responsibilities and authority and, in doing so, binds Board members to the same principles and practices.

The Board has adopted the Carver Model of Policy Governance. The Carver approach to governance

is a policy-focussed framework where a Board sets policies that address the broad issues and policies as follows:

- Ends to be achieved and the means to do so (Activ calls these Outcomes);
- The relationship between the staff and Board (Board – Executive Director Linkages and Executive Director Limitations); and
- The processes by which the Board determines its philosophy, the details of its own job, as well as its accountability to the organisation and the wider community (Governance Processes).

Legal Structure

Activ is an association incorporated under the Associations' Incorporation Act (1987).

Board Composition

The Activ Board consists of:

- Two members elected by country area members;
- Three members elected by metropolitan area members;
- Four members appointed by members at the Annual General Meeting;
- An Executive Director who is the Chief Executive Officer of Activ.

The Board must elect a President and a Deputy from among its members and they will hold office so long as they remain members of the Board until the conclusion of the first meeting of the Board after the Annual General Meeting.

Board Members

July 1, 2007 to June 30, 2008

Peter Knowles (President)

Peter was elected President in October 2007 and originally appointed to the Board in October 2001. He has some 35 years of executive, corporate and business experience through senior executive management and director appointments. He is a Member of the Australian Institute of Company Directors and a graduate of Harvard's Advanced Management Program.

Hazel Costigan (Deputy President)

Hazel was elected as Deputy President for 2007-2008. She joined the Board in 1994 as a Country elected member and served as Deputy from 1998 until 2006. During her time on the Board she has served on numerous Standing Committees and Working Parties and is currently Chair of the Governance and Nominations Committee. Hazel is an Honorary Life Governor and Trustee.

Martin Alciaturi

Martin was appointed to the Board in October 2001. He leads the Perth Corporate Finance practice of the Macquarie Group. He has been a participant in the Western Australian corporate finance/mergers and acquisitions scene for 20 years and is a member of the Takeovers Panel.

Matthew Battrick

Matthew was elected to the Board in October 2001 as a Metropolitan elected member. He has more than 20 years experience as a geologist in international oil and gas exploration. He has worked throughout Australia and overseas. Matthew has gained strong commercial experience in technical and managerial positions.

Phillis Breheny

Phillis was elected as a Metropolitan elected member of the Board in October 2005. She has been involved with many support groups, particularly the Down Syndrome Association of

WA (DSAWA). She organised its first family support camp and parent information sessions. Phillis also won funding for DSAWA's inaugural library.

John Francks

John was appointed to the Board in October 1998. He is a Licensed Finance Broker and has an extensive management, business and finance background. John is chair of the Audit and Risk Committee.

Tina Thomas

Tina was appointed to the Board in October 2006. She is Vice President, Human Resources, for Woodside Energy Ltd and a volunteer at the Esther Foundation.

Leonie Walker

Leonie joined Activ in 1975 and helped establish a hostel for children with special needs in the Wongan Hills area. She later joined the Busselton branch and was president of the South West Regional Committee until 2005. Leonie was elected as a Country elected member of the Board in October 2006. Leonie is an Honorary Life Governor and Trustee.

Tony Vis (Chief Executive Officer)

Tony was appointed Chief Executive Officer in October 2007. He previously was elected to the Board as a Metropolitan elected member in October 1998 and served as President from 2001 to September 2007. Tony has extensive executive and commercial experience with a diverse range of organisations and is a Fellow of the Australian Institute of Company Directors.

Andrew Wagstaff (Acting Executive Director)

Andrew joined Activ in July 2005 as Chief Operating Officer and was the Acting Executive Director from January 2007 until September 2007. Andrew has some 25 years of commercial experience in public and private sector roles, domestically and internationally.

Meeting Attendance 2007-08

Name	Board	Audit & Risk	Governance & Nominations
Peter Knowles (Chair)	8	3	2
Martin Alciaturi	9	2*	
Matthew Battrick	10	4	
Phillis Breheny	11		1*
Hazel Costigan (Deputy Chair)	11		3
John Francks	9	3	
Leonie Walker	11		
Tina Thomas	11		1*
Tony Vis	3*	2*	1*
Tony Vis (Chief Executive Officer)	8*	2*	2*
Andrew Wagstaff (Acting Executive Director)	3*	2*	1*
Number of Meetings Held	11	4	3

* Maximum number of meetings eligible to attend

Standing Committees

Audit and Risk Committee

Chair: John Francks

Responsibilities: Assists the Board in monitoring and advising on internal control and risk management systems and for providing a policy framework for the delivery of an effective and efficient audit function within Activ.

Governance and Nominations Committee

Chair: Hazel Costigan, MSEA CD

Responsibilities: Assists the Board establish and maintain its governance process and to replenish Board members under the Terms of Reference as required.

Other Committees

Awards and Recognitions Committee

Chair: Murray Blanchard, AM JP

Responsibilities: To recommend individuals for internal and external awards.

Employee Advocacy Committee

Chair: Christopher Guest

Responsibilities: To represent and provide a channel of communication for employees of Activ's Employment Services. To advise the Board on matters of concern to employees with disability and to ensure those employees are involved in decision-making processes.

Activ Governance and Financial Reports

Activ recorded a total operating deficit of \$2,449,998 for the year ended 30 June 2008, compared to a surplus of \$2,268,591 for last year.

The \$4.7m deterioration in Activ's operating result can be attributed to:

- Net wage and salary cost increases in a difficult labour market (\$2.8m).
- Operational cost increases in general and in particular in rental, vehicle, repairs and maintenance, workers compensation and depreciation (\$2.3m).
- Reduced property sale proceeds (\$1.8m).
- Investment in new facilities (\$0.4m).

Offset by:

- Increases in government funding (\$1.9m).
- Additional net sales revenue (\$0.7m).

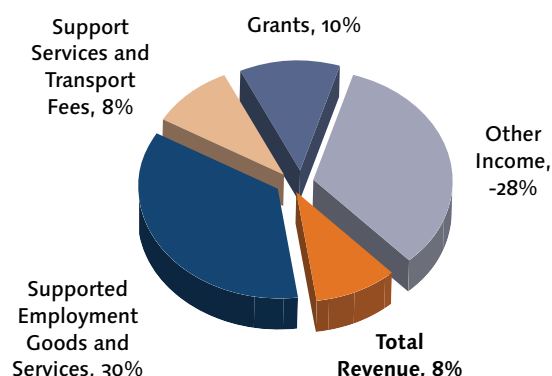
Primary Operating Activities has recorded a deficit of \$4,110,085 for the year ended 30 June 2008, compared to a deficit of \$795,128 last year. Primary Operating Activities include accommodation, supported employment, alternatives to employment, individual and family support, recreation, library and transport and related administration and support costs.

Secondary Operating Activities has recorded a surplus of \$1,660,087 for the year ended 30 June 2008, compared to a surplus of \$3,063,719 last year. Secondary Operating Activities include land, building, motor vehicle and equipment disposals, interest derived and net fundraising activities.

Total revenue increased by \$4,497,673 (8%) for the year ended 30 June 2008 compared to last year. The first graph provides the breakdown of major revenue items and the percentage change from last year.

Government Grants increased by \$3,337,007 (10%) compared to last year. In addition to annual indexation increases for Commonwealth and State recurrent funding Activ received additional State funding for top up indexation and support worker wage increases of \$1,425,032.

**2007-08 Major Revenue Items
(% Change from Last Year)**



Supported employment sales of goods and services has increased by \$2,569,898 (30%) compared to last year as a result of the substantial program of capital investment in equipment and upgrading of facilities and infrastructure within Business Services to improve supported employment opportunities.

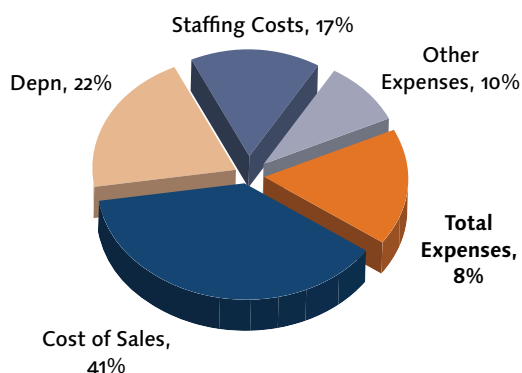
Support Services and Transport fees have increased in proportion to Centrelink pension increases throughout the year and new services provided within the accommodation and alternative to employment programs.

Other income decreased by \$1,805,837 (28%) compared to last year as only one property sale occurred during 2007-08.

Total expenses increased by \$9,216,262 (18%) for the year ended 30 June 2008 compared to last year. The following graph provides the breakdown of major expense items and the percentage change from last year.

Cost of Sales for Business Services increased by \$2,154,132 (41%) compared to last year, driven by an increased volume of sales compared to last year, rising raw material and consumable prices and increased Employee wages as a result of increased job skills.

**2007-08 Major Expense Items
(% Change from Last Year)**



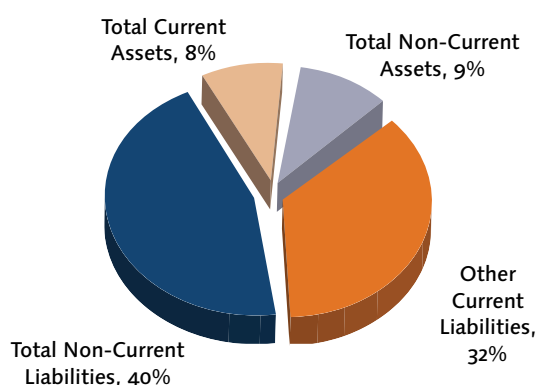
Staffing costs increased by \$5,603,352 (17%) compared to last year. In addition to normal State and Federal wage increases of approximately 3%, the \$33 per week Support Worker wage increase cost was passed on to all support workers. Additional staffing levels to support new or expanded service lines also occurred during this year. The difficult labour market conditions continued in 2007-08 resulting in significant recruitment costs and heavy reliance on agency staff. In response a staff salary review was undertaken resulting in salary adjustments in accord with the Hays Group remuneration model. As a consequence of the increased wages rates the provision for entitlements was substantially understated with an adjustment of approximately \$850,000 required this year.

Depreciation and amortisation costs increased by \$382,276 (22%) compared to last year mainly due to the change in accounting policy, where the straight line method was adopted from 1 July 2007. In addition, the replacement of ageing vehicles has also impacted on higher depreciation costs.

Other Expenses increased by \$1,076,502 (10%) compared to last year with property leasing, general repairs and maintenance, motor vehicle and consultancy costs the major contributing factors.

The Balance Sheet reflects this year's operating performance through the decrease in members' funds from \$31.9m to \$29.5m. The below graph provides the breakdown of major balance sheet items and the percentage change from last year.

**2007-08 Balance Sheet
(% Change to Last Year)**



The decrease in Current Assets, specifically cash and the corresponding increase in Property, Plant and Equipment reflect the significant investment in updating facilities and infrastructure, particularly within Business Services and the replacement of ageing buses and people movers. Current and Non-current Liabilities increased significantly with the impact of higher wage rates for provisions for leave entitlements and new leasing arrangements for new school buses added to the fleet during the year.

Resi Mitterbauer

CHIEF FINANCIAL OFFICER

Income Statement

for the year ended 30 June 2008

	2008 \$	2007 \$
Revenues		
Supported employment goods and services	11,047,055	8,477,157
Support services fees	3,680,203	3,457,011
Transportation fees	1,651,023	1,477,610
Grants - non-recurrent grants	818,308	1,120,622
Grants - recurrent grants	35,939,884	32,300,563
Land development		4,065
Other income	3,110,916	3,480,679
Proceeds from sale of assets	1,425,163	2,857,172
	57,672,552	53,174,879
Expenses		
Cost of sales - supported employment goods and services	(7,408,874)	(5,254,742)
Depreciation and amortisation expenses	(2,137,896)	(1,755,620)
Finance costs	(181,195)	(138,473)
Staffing expenses (not included in cost of sales)	(38,958,706)	(33,355,354)
Other expenses	(11,435,879)	(10,402,099)
	(60,122,550)	(50,906,288)
Deficit	(2,449,998)	2,268,591
Deficit attributable to primary activities	(4,110,085)	(795,128)
Surplus attributable to secondary activities	1,660,087	3,063,719
	(2,449,998)	2,268,591

This Income Statement forms part of the Abridged Annual Financial Statements.

A complete set of Annual Financial Statements, including notes to the financial statements, is available upon request.

Balance Sheet

as at 30 June 2008

	2008 \$	2007 \$
ASSETS		
Current Assets		
Cash and cash equivalents	12,228,161	14,595,192
Financial assets	16,207	25,074
Trade and other receivables	2,528,971	2,225,685
Inventories	1,508,079	790,786
Other current assets	420,463	288,397
Total Current Assets	16,701,881	17,925,134
Non-Current Assets		
Property, plant and equipment	25,441,973	23,475,165
Intangible assets	99,095	290,362
Other non-current assets	157,361	10,718
Total Non-Current Assets	25,698,429	23,776,245
Total Assets	42,400,310	41,701,379
LIABILITIES		
Current Liabilities		
Trade and other payables	2,255,296	1,191,166
Financial liabilities	238,771	65,901
Short-term provisions	4,573,822	3,833,780
Other current liabilities	4,682,887	3,842,618
Total Current Liabilities	11,750,776	8,933,465
Non-Current Liabilities		
Financial liabilities	426,437	153,553
Long-term provisions	735,190	676,456
Total Non-Current Liabilities	1,161,627	830,009
Total Liabilities	12,912,403	9,763,474
Net Assets	29,487,907	31,937,905
EQUITY		
Retained earnings	15,177,302	17,588,702
Reserves	14,310,605	14,349,203
Total Equity	29,487,907	31,937,905

This Balance Sheet forms part of the Abridged Annual Financial Statements.

A complete set of Annual Financial Statements, including notes to the financial statements, is available upon request.

Statement of Changes in Equity

for the year ended 30 June 2008

	2008 \$	2007 \$
RETAINED EARNINGS		
Balance at start of period	17,588,702	16,793,450
Changes in accounting policy	-	-
Restate balance	17,588,702	16,793,450
Deficit for the period	(2,449,998)	2,268,591
Aggregate amount transferred (to) / from reserves	38,598	(1,473,339)
Members' equity at the end of the financial year	15,177,302	17,588,702

	Closing Balance 30/06/08 \$	Transfer to / (from) 2007/08 \$	Opening Balance 1/07/07 \$
RESERVES			
State capital grants	4,177,004	393,493	3,783,511
Facility and improvement reserve	615,941	523,406	92,535
Gift fund reserve	354,411	(160,039)	514,450
HACC asset replacement reserve	195,070	(40,929)	235,999
Maintenance reserve	12,341	2,377	9,964
Service development and expansion reserve	7,340,592	16,196	7,324,396
Fundraising reserve	80,745	(95,505)	176,250
Specific purpose reserve	42,336	-	42,336
Support groups reserve	921,469	19,746	901,723
Changed needs reserve	437,094	(127,695)	564,789
Training and support reserve	-	(569,648)	569,648
House account reserve	133,602	-	133,602
Total reserves at the end of the financial year	14,310,605	(38,598)	14,349,203

BALANCE OF EQUITY AT THE END OF PERIOD	29,487,907	31,937,905
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This Statement of Changes in Equity forms part of the Abridged Annual Financial Statements.

A complete set of Annual Financial Statements, including notes to the financial statements, is available upon request.

Cash Flow Statement

for the year ended 30 June 2008

	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and public support	17,673,057	15,451,763
Payments to suppliers, staff and employees	(54,863,198)	(47,392,438)
Dividends received	3,011	922
Grants received	37,593,296	33,059,993
Interest received	1,076,646	1,045,105
Funds held on behalf of others received/(paid)	5,165	407,227
Finance cost	(181,195)	(138,473)
Goods and services tax paid	173,936	(59,734)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	1,480,718	2,374,365
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,718,665)	(6,816,995)
Proceeds from sale of property, plant and equipment	1,425,162	2,857,172
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	(4,293,502)	(3,959,823)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from finance leases	445,754	28,904
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	4,293,503	28,904
NET INCREASE/(DECREASE) IN CASH HELD	(2,367,031)	(1,556,554)
Add opening cash brought forward	14,595,192	16,151,746
CLOSING CASH CARRIED FORWARD	12,228,161	14,595,192

This Cash Flow Statement forms part of the Abridged Annual Financial Statements.

A complete set of Annual Financial Statements, including notes to the financial statements, is available upon request.

Activ Foundation Inc.
Annual Report - 2007/2008

financial statements

STATEMENT BY EXECUTIVE DIRECTOR AND NON EXECUTIVE DIRECTOR

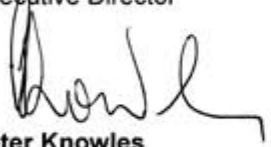
We, Tony Vis and Peter Knowles, being the Executive Director and Non Executive Director, respectively of Activ Foundation Inc. state that to the best of our knowledge and belief the financial report;

- a) Presents a true and fair view of the financial position of Activ Foundation Inc. as at 30 June 2008, its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
- b) At the date of this statement, there are reasonable grounds to believe that Activ Foundation Inc. will be able to pay its debts as and when they fall due.

Dated at Perth this 22nd day of September 2008.



Tony Vis
Executive Director



Peter Knowles
Non Executive Director

To be read in conjunction with the full financial statements which have been published and are available on request.

www.activ.asn.au

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIV FOUNDATION INC.

We have audited the accompanying financial report of Activ Foundation Inc, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Executive Director and Non Executive Director.

Committee's responsibility for the financial report

The board of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards, which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board members, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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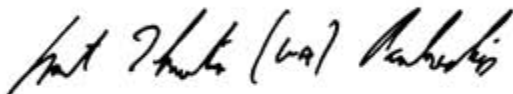
Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's opinion

In our opinion,

- a the financial report of Activ Foundation Inc. is in accordance with the Associations Incorporation Act, including:
 - i giving a true and fair view of the Associations' financial position as at 30 June 2008 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act .



GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants



M.J. HILLGROVE
Partner

Perth, 22 September 2008

Acknowledgements

Honorary Officers

Patrons

His Excellency, the Governor of Western Australia, Dr Ken Michael, AC, and Mrs Julie Michael.

Honorary Life Governors

Allyn Bryant AM JO

Maida Stern OAM

Vicki de Haas

Lorna Mitchell MBE OAM

Murray Blanchard AM JP

Colin Carle

Leonie Walker

Hazel Costigan MSES A CD

John Lane

William Marmion

Ernie Pearce

Peg Taylor OAM

Trustees

Murray Blanchard AM JP

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Colin Carle

Hazel Costigan MSES A CD

Vicki de Haas

Mike Gurry

Tony Howarth

John Lane

Lorna Mitchell MBE OAM

Maida Stern OAM

Leonie Walker

Solicitors

Talbot Olivier

Auditors

Grant Thornton

Bankers

Westpac

Internal Awards

Honorary Life Members

Vern and Jill Hollett

Certificate of Appreciation

John and Pam Keogh

Certificate of Thanks

Ray and Wendy Walter

Thank You

We are sincerely grateful to the organisations and individuals who have supported us throughout the year. Your generosity means we can continue to provide quality services to people with disability and their families in Western Australia.

- Commonwealth Government
- State Government
- Local Government Authorities
- Appealathon
- Lotterywest
- HBF



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