

# INTERCHANGE ANNUAL REPORT 2014



# Partners & Sponsors

Interchange Incorporated is jointly funded by the Commonwealth and Victoria Governments through the HACC Program.

We would like to thank the following organisations and foundations for their kind support:

Fordham Group

Perpetual Limited

Allbeau Pty Ltd

The Birchall Family Foundation

The logo for Perpetual, featuring the word "Perpetual" in a blue serif font followed by a large, stylized blue script flourish.

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# About Interchange

Interchange Incorporated (Interchange) is a member organisation for agencies involved in providing family support and social opportunities for children and young people with a disability.

We currently support our network of member agencies across Victoria, South Australia, Tasmania and North Queensland. We do this by raising awareness of services to families, volunteers and communities through marketing initiatives, providing resource, networking and professional development opportunities to agency teams, and advocating for sector improvement.

Interchange is a not for profit, non-government incorporated association with tax deductible status.

## Our Purpose

To assist Interchange members to maximise the potential of their programs and services through:

- The provision of information and resource material.
- Marketing and promotion of Interchange members, their programs and their work in the community.
- The provision and coordination of training and professional development opportunities.
- Facilitating networking and collaborative partnering opportunities.
- The attraction and engagement of volunteers to assist in meeting the needs of people with a disability and their families.
- Undertaking fund-raising initiatives and activities as is timely and relevant.
- Harnessing the collective value of Interchange members in order to better advocate on issues to government and other decision-makers.



## Our Vision

To be part of a community that shares the responsibility for the wellbeing of all, celebrates and promotes difference and strives for inclusiveness and choice.

## Our Mission

Interchange assists its members to build inclusive communities and to develop responsive services which enhance the quality of life for individuals and families impacted by disability.

## Our Values

**Integrity:** We are open, honest and accountable in all of our practices.

**Social Justice:** We contribute to and work with the broader community to bring about positive changes for individuals and society. We recognise that a fair community means that all people have the right to equal opportunities and justice and can participate fully within their communities.

**Quality:** We provide a supportive environment for the Board, staff, volunteers and partners to excel in the provision of services with standards and systems that support and build on our strengths.

**Positive Work Environment:** We value and promote a positive and safe work environment that supports diversity and values individual abilities and contribution.

**Sustainability:** We will aim to maximise our enterprise opportunities and undertake responsible financial management.



# President's Report

**A big welcome and thank you to all our members and friends for being here today.**

## Sector context

Inevitably, 2014 has seen more change across the sector presenting both risk and opportunity for Interchange. As the National Disability Insurance Scheme (NDIS) has entered its second year in some sites and been introduced in others, there is a lot we can learn in order to support our members within the launch sites and those who have the rollout on their horizon.

Interchange has taken the opportunity this year to look for ways to help shape the external environment in which we operate. We provided input to the draft 2013-16 National Disability Insurance Agency's strategic plan, co-ordinated the business case on Volunteer Supported Service Models within the NDIS context and continued to work with industry partners and government bodies to ensure Interchange and its members are represented. Changes to our constitution approved at last year's AGM have also helped us to become more agile and responsive.

## Interchange Board of Management (BOM)

At the 2013 AGM, we were very pleased to welcome Ms. Marie Lugg from Interchange Inner East to the BOM and in June, Mr. Graeme Bird. Graeme has supported us in a temporary capacity until our AGM today, when he will officially nominate for a position on the BOM.

The Interchange BOM consisted of six members in 2014 with a good mix of governance experience from the not-for-profit, for-profit and disability sectors as well as from our member agencies. A number of BOM members also have first-hand personal experience under the NDIS and are able to provide valuable insight to some of the challenges and opportunities facing the sector.

The BOM held a strategic planning day in October with a specific focus on long-term financial sustainability as well as ensuring we continue to provide the value sought from our members in the changing external environment.

The BOM continues its professional development through the Australian Institute of Company Directors and other industry-specific initiatives offered through Leadership Victoria and National Disability Services

## Thank you

My thanks to everyone on the BOM for their continuing commitment, effort and progressive thinking over the year.

On behalf of the BOM, I would like to thank the dedication and hard work of our Executive Officer, Kerry Uren. After the significant reorganisation she oversaw in 2013, Kerry's focus this year has been on executing our new strategy and working with our members to share information and build supportive networks. Kerry has been well-supported by Cathy Culliver who has helped introduce a number of innovative methods to support our members.

Interchange Incorporated is jointly funded by the Commonwealth and Victoria Governments through the HACC Program and we acknowledge and appreciate their ongoing support. Thank you also to Perpetual for providing \$55,000.00 to fund the Interchange Media Campaign, and to the Birchall Family Foundation and Allbeau Pty Ltd for their generous donations. Thank you also to Fordham Group who provide us with access to their offices in the Rialto building throughout the year.

Finally, a huge thank you to all of the volunteers and staff across the Interchange network. It was incredibly humbling to sit on the selection panel for this year's Jean Simpson Award and to speak with all of the nominees about the great community support they provide families in need. Congratulations to this year's winners:

- Volunteer of the Year – The Long-Davidson family (Interchange Northern); and
- Employee of the Year – Wendy Milnes (Interchange Gippsland).

## Compliance

The Interchange Incorporated Constitution has been amended in line with the modern Associations Incorporation Reform Act 2012 and the Associations Incorporation Reform Regulations 2012.



Andrew Holt  
President, Interchange Incorporated

# The Interchange Board of Management



**Andrew Holt**  
President

Andrew has been a Board Member of Interchange Incorporated since June 2013, and its President since November 2013. He has over 12 years experience in audit and risk management roles and has first-hand experience in the sector as a parent of a child with a disability.



**Peter Marshall**  
Vice President

Peter is an IT professional with an MBA, Bachelor of Applied Science and Graduate Diploma of Information Systems. He is also a freelance professional photographer. Peter is the father of four children, with his eldest daughter having a disability.



**Ben Otter**  
Treasurer

Ben has been a member of the Interchange Board since 2012. He holds a Bachelor of Commerce and is a Certified Practising Accountant. He is currently the Financial Controller of Driver Group Australia, a bus & sightseeing company with a turnover of more than \$30 million.



**Sandra Martin**  
Secretary

Sandra has extensive experience in the disability and community sector, as well as in children's services. She worked for member agency OzChild for six years as their Disability Programs Manager, and is a trained psychologist.



**Marie Lugg**  
Board Member

Marie has been the Executive Officer of Interchange Inner East since 2011, and has more than 30 years experience working in special education, social work and various other health and counselling services. She holds Bachelors in Social Work and Education (Special), as well as a Diploma of Holistic Counselling.



**Graeme Bird**  
Board Member

Graeme has 30 years experience in the finance, banking and health industries. He is currently Business Manager and Secretary of Berengarra School, a non-profit school that meets the individual needs of students of normal intelligence but with social and emotional problems.

# Message from the Executive Officer

**Over the past year Interchange Incorporated adopted a new name, a new constitution and a membership model that opens up to be more inclusive of not-for-profit organisations who provide flexible support to young people with disabilities and their carers and that accept the principles, purposes and rules of our association.**

During the year we developed new partnerships and trusted relationships with stakeholders across the sector, and continued to provide networking and professional development opportunities for you, our members.

With an expert panel of member organisations, we developed a Business Case on 'Retention of Volunteer Supported Services Within the NDIS Context', which has been widely distributed and continues to enable us to contribute to sector development on behalf of our membership base.

In January, NDS sought feedback on a Policy Paper developed to guide discussions with the NDIA about circumstances when it makes sense to use block funding. Whilst all areas of the policy paper were relevant to us, section 2 spoke directly about social capital and use of volunteers, with reference to recreation and host services. Interchange Incorporated collated feedback from our members and provided input on the paper.

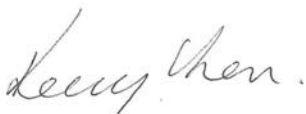
In addition, we also launched our new website which provides a clearer and more professional message on who we are and what we do, and which allows us to more effectively inform and guide potential volunteers and new families to your agencies. This will also assist with ongoing brand awareness and marketing.



In October 2013 the Board of Management adopted our updated Strategic Plan which includes five strategic goals:

GOAL	PRIORITY
Strategic Goal 1 Deliver Quality Services	We will build the capacity of our members by developing quality services and resources that enable them to achieve their goals.
Strategic Goal 2 Raise Brand Awareness	We will increase the profile of the Interchange brand and of Interchange Incorporated as a membership organisation for respite and recreation providers and volunteers in the disability sector.
Strategic Goal 3 Build Strategic Partnerships	We will develop partnerships to provide our members with access to a greater range of services and supports.
Strategic Goal 4 Ensure Sustainability & Growth	We will grow strategically to meet the needs of our current and potential members and to ensure our success as a primary respite and volunteer membership organisation in the disability sector.
Strategic Goal 5 Advocacy and Sector Development	We will achieve a high level of awareness, recognition, understanding and support from non-sector stakeholders (including government, partners and other relevant bodies) to advocate for members and to contribute to sector policy and development.

We are now well placed to focus on achievement of objectives and initiatives under each of these goals and continue to position ourselves as a valued partner in the disability sector.



Kerry Uren  
Executive Officer

# Achievements & Highlights

## Interchange Business Case

In June 2014 the Victorian Home and Community Care Program that is jointly funded by the Commonwealth and Victorian governments commissioned Interchange Incorporated to consider how volunteer coordination can be integrated within the NDIS context. The aims of the project, using the Interchange Host Program as a case study, were to:

- Increase awareness of the work involved in establishing and maintaining volunteer supported services
- Raise awareness of the benefits of retaining volunteer supported services within the NDIS
- Make recommendations for integration of volunteer supported services within the NDIS framework

A project working group was convened to provide expert input and guidance to the project. The working group consisted of five service providers, including two in trial sites:

- Interchange Incorporated
- Moira (Melbourne)
- Gateways Support Services (Barwon region of Victoria)
- Interchange Loddon Mallee (Loddon Mallee region of Victoria)
- PINARC Disability Support (Ballarat)
- Interchange South Australia (statewide)

In addition, liaison occurred throughout the project with key stakeholders from the following government agencies:

- Victorian Department of Health, HACC program
- Victorian Department of Human Services
- National Disability Insurance Agency (NDIA) – Barwon Region and the Australian Capital Territory.

HDG Consulting Group were contracted to prepare the business case.

We commenced by unpacking all of the components of a volunteer service, from recruitment, through screening, assessment, training, matching with clients, ongoing support, review, reporting etc. and compiling them into a flow chart. We did this for both the volunteer and the client/family process. This allowed us to identify in detail all of the key elements of implementing and managing a volunteer supported service.

It also allowed us to clearly demonstrate the level of quality and risk management that goes into the programs and service delivery, ensuring children and families are safe and service quality is high, whilst debunking the perception that a volunteer supported service does not provide the quality and safety of paid hourly services.

Using these components, we then looked at hours and resources required to complete each component of the process. The majority of effort, and therefore costs in relation to matches, are expended prior to and in the first year of the match (i.e. approximately 70 per cent in the first year of the first two years). There is typically reduced expenditure in subsequent years, although the level of support is flexible in response to the participant's changing needs and transition across life stages.

**In 2012-2013, an estimated 120,000 Interchange volunteer hours were provided within the Host Program alone. Using the mid-point market wage method for allocation of volunteer hourly costs of \$32.50 (from the DPCD report), the value of these hours is approximately \$3.9M.**

We considered three funding options for volunteer supported services within the NDIS context, weighing up the pros and cons and reporting the strengths and weaknesses of each option so they were clearly identified in the business case.

Option A:	Tier 2 – Capacity Building Funding (Block Funding)
Option B:	Tier 3 – Individual Funding
Option C:	Combination Approach – Tier 2 and Tier 3

The information provided in the business case demonstrates how the NDIS structure can be applied to volunteer support services such as the Interchange Host Program, and that the key elements of the program can be successfully incorporated within the NDIS.

**The Interchange Host Program is consistent with an insurance approach with an initial investment to establish supports, with a diminishing cost over time, whilst generating ongoing benefits realised over multiple years for participants.**

The aspirational nature of the matches and complexities implicit within a volunteer relationship are best supported by funding that builds capacity and supports innovation and flexibility. It therefore makes economic sense to invest early in a quality process (of volunteer sourcing, training and matching) to then reap the benefits that accumulate over time to the individual participant, family, community and government.

Whilst the working group members involved in this project acknowledged the potential for a combination funding approach (i.e. capacity building and individualised funding), further data and analysis based on a larger sample group is required to confirm the extent to which this would provide a practical and

viable option for the longer term.

Particular considerations are the uncontrolled variables inherent within the volunteer based model, the aspirational nature of achieving matches, increased capacity to respond to demand and complexity of administrative and reporting requirements.

The Business Case has been widely distributed to:

- NDIA – Commonwealth and State Contacts
- Commonwealth Government – Department of Social Services
- State Government Victoria – Department of Health and Department of Humans Services
- Peak Bodies – NDS, Volunteering, Carers
- Other key contacts – Disability Commissioner, NDIS Taskforce contacts (VIC)
- Service providers
- Interchange families and volunteers

The NDS also included an article about the business case in their e-news communication to their statewide members.

Kerry presented the business case at the National Respite and Community Care Conference in Parramatta. The presentation was delivered as part of a panel with Interchange Northern Beaches and Interchange Illawarra (both NSW based) discussing “The Future of Volunteer and Flexible Respite”.



## Partnerships

### Deakin

In late 2013 we partnered with Deakin University, offering placement hours to two students from the International Students Internship Scheme. The scheme offers Masters students the opportunity to work for 100 hours on projects of interest in workplaces participating in the scheme.

We were pleased to work with Eileen Xu on a volunteer project and Jerry Ma on marketing. Kerry Uren attended an award ceremony at Deakin University in November where the students were presented with a certificate, and Interchange Incorporated was also acknowledged as a program supporter.

### National Respite Association

We have established NDIS Trial Site Manager meetings in partnership with the National Respite Association (NRA) based in NSW, and currently conduct phone conferences with trial site managers every two months. We have representatives from nine agencies across trial sites in South Australia, Tasmania, Barwon, Hunter and ACT. The meetings allow managers to share their challenges and achievements, and discuss feedback from families and broader stakeholders with regard to trial site transition and implementation. Summary minutes are distributed across all of our networks.

NRA also conducted a sector reform service provider consultation on respite in the Interchange office in Melbourne, which was attended by 21 people from 12 agencies across the state, including four Interchange agencies. A HACC representative was also in attendance. The focus of the meeting was respite across all sectors including disability, aged care and mental health. These meetings will continue on a quarterly basis.

### Achieve 2B

Through this period we have been in communication with Achieve 2B, a New Zealand based charity recently established to encourage cultural exchange programs for youth with disability. This opportunity was communicated among the Interchange member base and discussions are currently underway as to how a partnership arrangement can benefit clients and families.



Jerry & Kerry at the award ceremony



Eileen with Grace Diep, Deakin Student Placement Coordinator



## Forums

### Managers Forum

The Managers Forum was held on March 21st, with 12 managers representing 10 different agencies in attendance.

Amongst the day's presentations were updates from the Barwon and South Australia NDIS trial sites, as well as information on the HACC Business Case.

The afternoon was an opportunity for all the members to share their news, updates and challenges with each other. All in attendance found the day very helpful and enjoyed the chance to network and share their ideas.

### Host Forum

The Host Forum was held on August 8th, with 16 members from across 10 agencies in attendance.

There were two guest speakers on the day. Sue Noble, CEO of Volunteering Victoria, gave a presentation on Engaging and Recruiting Older Volunteers, and Interchange founder Maureen Crawford gave an insightful and touching presentation on experiencing grief regarding the disability of a child.

Maureen's presentation was especially poignant given her personal experiences with her son's disability and the group was touched to hear of her journey to beginning Interchange all those years ago.

The afternoon session was an open forum discussion. Discussion included an update from the Barwon trial site from Gateways, as well as intake processes and preparation for the NDIS.

The afternoon also included a farewell to Helen Francis from PINARC, who has retired after 22 years with Interchange.

### Recreation Forum

The Recreation Forum was held on August 22nd, with 20 members from across 10 agencies in attendance.

Our first guest speaker was Alex Makin, Managing Director of Syneka Marketing, who gave a very informative presentation on Social Media Strategies and Marketing for Not for Profits.

Our second speaker was Geri Baker from Interchange Inner East, who shared her vast knowledge and helpful insights on how to apply for and receive grants.

The afternoon session was an open forum discussion, with some topics including risk management, training and camps.



Alex Makin's presentation



Helen Francis



Geri Baker's presentation



# Jean Simpson Award 2014 Winners

**Recognising volunteers and staff who are strongly committed to Interchange and continually strive toward excellence.**

The Jean Simpson Award was established to celebrate the life and achievements of the late Jean Simpson (1950-2002). A long time campaigner for flexible respite for families who are caring for a child with a disability, Jean Simpson's influence and vision have left an ongoing legacy at Interchange.

Jean was tireless in her efforts to best serve the needs of children or young adults with a disability and the wellbeing of their families. The award is in memory and acknowledgment of Jean Simpson's valuable contribution to Interchange programs and communities.

In 2014 we received seven nominations from five of our member agencies. All nominations were very impressive to say the least, and were a wonderful representation of the amazing people involved in the Interchange communities across the state.

## Employee of the Year

Wendy Milnes, Interchange Gippsland



Wendy has been employed as a Support Worker with Interchange Gippsland since 2003, during which time she has worked across nine different programs, supporting numerous clients and families and has been an ongoing member of the Quality, Safety and Risk team.

Although employed as a support worker, she often volunteers her time to assist across the organisation, including at community and family events. She also provides day and overnight respite in her own home.

Interchange Gippsland say that Wendy upholds the organisation's values and displays these in her daily work. She is a highly-valued member of their organisation.

## Volunteer of the Year

Maureen Long, John, Kate and Lucy Davidson, Interchange Northern



Maureen, John and daughters Lucy and Kate have been associated with Interchange Northern for the past 25 years.

The family have hosted two children. The first in 1989 was a young lady who had autism, and this match continued for 18 months. The second match started shortly after in 1991 when the Long-Davidson family was matched with the Dare family: Carla, mother Sandra and father David. This match is about to reach their 23 year milestone.

Maureen Long nominated for the ICN Committee of Management in 2009 and became President in 2010. Maureen has been involved in improving the organisation's governance through Board skills development, risk management and strategic planning.

Each member of the Long-Davidson family has a strong and supportive relationship with Carla.



**Congratulations to our 2014 award winners and a big thank you to all involved in supporting this initiative, those who took the time to submit nominations, the judging panel, and most importantly, our wonderful Interchange communities who all deserve to be recognised on a daily basis.**

# Marketing & Communications

## New Website Launch

The new Interchange website was launched in July 2014. Our intent was to:

- Create a fresher website with accurate and up to date information for key stakeholders
- Present a clearer message of who we are and what we do
- Provide up to date information on each member's service offering
- Promote more traffic and manage traffic data
- Provide single-point access to resources and training
- Attract families, volunteers, philanthropies/funders, partners, community stakeholders
- Allow real time news updates

Traffic to the new website has remained steady and feedback on its new design and usability has been entirely positive.

## Yammer

The new Interchange Intranet was launched mid-December, using the online platform Yammer.

The aim of Yammer is for there to be a portal where agency staff can communicate quickly and easily with each other, as well as providing our members with quick access to news, announcements, resources and sector developments.

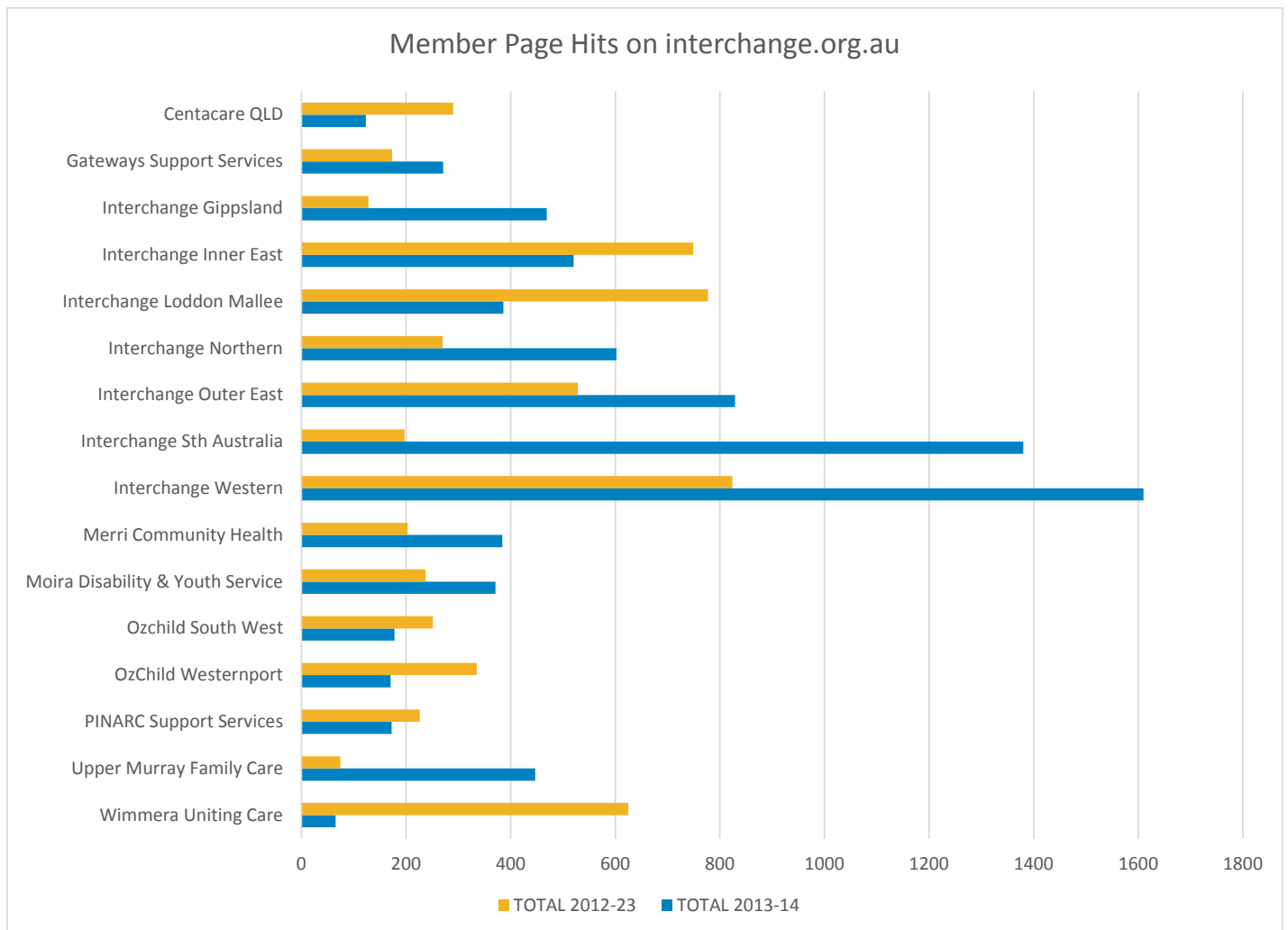
We currently have 45 active members registered from 13 member agencies.

## Member Page Hits

Overall, member page hits on Interchange Incorporated’s website from July 2013 to June 2014 were up by 36% on the previous 12 month period.

Some of our member agencies saw huge increases in their page hits on the previous year. Interchange South Australia’s page hits increased by 601%, Upper Murray increased by 504%, Interchange Gippsland increased by 266% and Interchange Northern increased by 123%. These spikes in interest are thought to be the direct results of successful advertising campaigns and increased community involvement and interaction by the agencies in question.

We will continue to analyse and report on this activity as our new website is further promoted in conjunction with other media and campaign initiatives.



## Email Enquiries

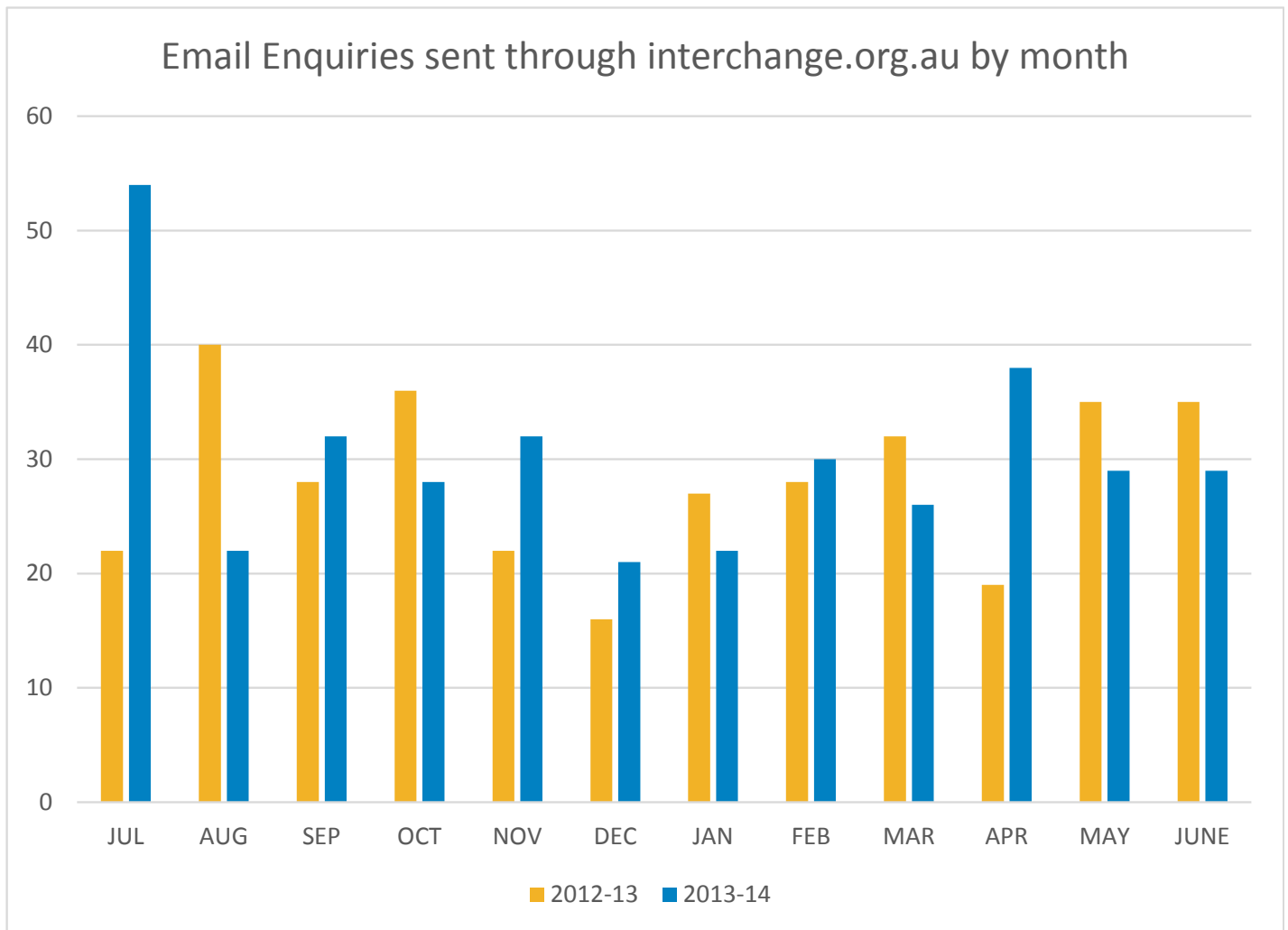
Volunteer and family email enquiries sent through the Interchange Incorporated website increased by 7% for the period July 2013 to July 2014, compared to the previous 12 month period.

Member agencies with the largest number of enquiries were Interchange South Australia with 62, Interchange Outer East with 55 and Interchange Inner East with 46.

In order to better understand how these enquiries are followed up, and to gain a clearer picture of how many enquiries result in a new volunteer or family actually being taken on, we have begun piloting a new reporting system for our members.

The intention is for them report back on the status of each of the enquiries received through the Interchange Inc. website. We will then use this data to evaluate how well our enquiries system is working and what areas need improvement.

We currently have three member agencies trialling this new reporting system, and hope to introduce it across the full Interchange network in the next few months.





# Resources

**Through consultation with member agencies, a range of resources has been developed that can be used by our agencies for the purposes of volunteer recruitment, training and management.**

To begin this project, a survey was created using Survey Monkey and distributed to all member agency contacts. The aim of the survey was to confirm what resources or training our members would like us to provide, what they consider most important and what resources they have that can be shared with others.

Twenty-four members completed the full survey and an additional 15 members partially completed the survey.

The results of the survey were very helpful with prioritising and planning our goals and initiatives for 2014. Although every agency's needs and wants were different, it was clear that having access to general resources was something everyone would benefit from.

Using some existing materials provided by agencies, as well as other external information provided from sources such as Volunteering Victoria, we began writing and designing a range of information sheets on subjects such as volunteering FAQs, rights and responsibilities, working with children/police checks and privacy.

We also created a Host Information Booklet, designed to provide new host families with information such as their rights and responsibilities, their role description, behaviour strategies, activity ideas and useful websites.

This booklet, along with some general volunteering information sheets, is now available for download from the Resources page of Interchange's website. Other information sheets are still in development and will be available on the website in the next couple of months.

We hope to keep growing this library of Interchange resources as time goes on so that it becomes an invaluable archive of information for all our member agency staff and their volunteers alike.

# Treasurer's Report

**With the introduction of a new team at Interchange Incorporated and the sound state of our financials, this year has been a year of repositioning ourselves in readiness for sector changes that are likely to give rise to future uncertainty.**

## **Report 1: Statement of Comprehensive Income**

Interchange Incorporated reported a profit of \$46,688. This is a surplus to budget of \$62,425 (budget \$15,764 loss) and a surplus to last year of \$68,198.

There was increased revenue of \$5,805 this year compared to last year.

- Additional HACC funding of \$7,850 was received to assist in the development of the report "Volunteer Supported Service Models within the NDIS context through the lens of the Interchange Host Program". This was part of a total \$30,000 received from HACC for the project, the balance of which was received in the 2014-15 period.
- Funding of \$11,000 was from Perpetual Trustees was carried forward from the previous financial year to assist in funding air time on media sources such as social media, radio, television and cinema.

There was a reduction in expenditure of \$62,392 from last year.

- Minimal expenditure in Advertising & Promotion compared to last year. \$28,406 was spent on three months of television air time last year.
- Minimal expenditure in Consultancy Fees compared to last year. \$30,764 was spent last year on advice in relation to departure of ex CEO, fees (salary) in relation to the appointment of a caretaker and recruitment costs to employ the current EO.

For further information please refer to Report 1: Statement of Comprehensive Income

## **Report 2: Statement of Financial Position**

- Interchange Incorporated with Assets of \$273,223 and Liabilities of \$48,688 is in a financially sound position.
- Cash at Bank has increased \$28,451 from last year
- Liabilities have decreased \$19,018 from last year.

For further information please refer to Report 2: Statement of Financial Position



Ben Otter  
Treasurer

# Auditor's Report

**A. L. Law**, FCA  
 10 Bennett Street, Balwyn, VIC 3103  
 Phone 9817 4472, Mobile 0417 013 395  
 ABN 45 614 724 892



Chartered Accountants

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERCHANGE INCORPORATED (FORMERLY INTERCHANGE VICTORIA RESPITE CARE ASSOCIATION INC)**

### Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Interchange Incorporated, (the association), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, for the year then ended, notes to the Financial Statements and the statement by the Board of Management (the Board).

### *Board's Responsibility to the Financial Report*

The Board of Interchange Incorporated is responsible for the preparation of the financial report, and has determined that the basis of preparation described in the Notes are appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 (Vic) and the needs of the members. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### *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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from 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 judgment, 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 the internal control relevant to the association's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, 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.

### *Opinion*

In our opinion, the financial report presents fairly, in all material respects the financial position of Interchange Incorporated as at 30 June 2014 and of its financial performance for the year then ended in accordance with the accounting policies described in Notes to the financial statements, and the Associations Incorporation Reform Act 2012 (Vic).

### *Basis of Accounting, restriction on distribution and Emphasis of Matter*

Without modifying our opinion, we draw attention to Note 2 to the financial report which describes the basis of accounting. The financial report has been prepared to assist Interchange Incorporated to meet the requirements of the Associations Incorporation Reform Act 2012 (Vic). As a result, the financial report may not be suitable for another purpose.

Name: Anthony L. Law FCA, Registered Company Auditor  
 Address: 10 Bennett Street, Balwyn, Victoria, 3103  
 Dated this: 24th day of October 2014

# Board of Management Statement

## Interchange Incorporated

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Melbourne VIC 3000

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E : [enquiries@interchange.org.au](mailto:enquiries@interchange.org.au)

W : [www.interchange.org.au](http://www.interchange.org.au)



## Interchange Incorporated

**ABN 31 124 088 529**

## Statement by Board of Management for the year ended 30 June 2014

In the opinion of the Board of Interchange Incorporated, (the Association):

1. The Association is not a reporting entity;
2. The financial statements and notes set out on pages 2 to 4 are drawn up in accordance with the basis of accounting described in Note 2, and other mandatory reporting requirements so as to present fairly the financial position of the Association as at 30 June 2014 and its performance, as represented by the results of its operations, for the financial year ended on that date; and
3. There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Management:

**President**

**Board of Management**

**Interchange Incorporated**

Dated at Melbourne this 20<sup>th</sup> day of October 2014.

# Statement of Comprehensive Income to June 2014

4:00 PM  
02/10/14  
Cash Basis

## Interchange Incorporated Profit & Loss Prev Year Comparison July 2013 through June 2014

Statement of Comprehensive Income to 30 June 2014

	Jul '13 - Jun 14	Jul '12 - Jun 13	\$ Change	% Change
<b>Income</b>				
<b>Int Vic Conference</b>				
Dinner	0.00	118.18	-118.18	-100.0%
Full Conference Registration	0.00	3,118.18	-3,118.18	-100.0%
<b>Total Int Vic Conference</b>	0.00	3,236.36	-3,236.36	-100.0%
<b>Publicity Fund Contributions</b>	77.27	0.00	77.27	100.0%
<b>4-1000 - Grants</b>				
4-1040 - Grants (State) Operating - Recu	160,195.04	146,240.15	13,954.89	9.54%
4-1060 - Grant Minor Capital	2,500.00	15,000.00	-12,500.00	-83.33%
4-1070 - HACC Project	7,850.00	0.00	7,850.00	100.0%
<b>Total 4-1000 - Grants</b>	170,545.04	161,240.15	9,304.89	5.77%
4-2010 - Donations Received	3,562.50	5,000.00	-1,437.50	-28.75%
4-3010 - Contributions (members)	3,210.00	4,500.00	-1,290.00	-28.67%
4-3040 - Contributions Philanthropic	56,000.00	45,000.00	11,000.00	24.44%
4-4010 - Sales of Goods	57.76	2,178.49	-2,120.73	-97.35%
4-5020 - Interest	5,750.00	9,665.33	-3,915.33	-40.51%
4-5035 - Recoupments	0.00	2,576.62	-2,576.62	-100.0%
<b>Total Income</b>	239,202.57	233,396.95	5,805.62	2.49%
<b>Expense</b>				
6-0010 - Accounting Fees	76.36	0.00	76.36	100.0%
6-0020 - Advertising & Promotion	668.52	28,406.87	-27,738.35	-97.65%
6-0050 - Audit Fees	2,000.00	1,931.82	68.18	3.53%
6-0070 - Bank Charges	75.25	46.78	28.47	60.86%
6-0220 - Computer Expenses	3,562.65	561.09	3,001.56	534.95%
6-0221 - Office Expenses	2,078.23	2,513.39	-435.16	-17.31%
6-0230 - Consultancy Fees	537.27	30,764.33	-30,227.06	-98.25%
6-0270 - Depreciation-Plant&Equipment	731.68	1,761.48	-1,029.80	-58.46%
6-0280 - Minor Asset Replacement	0.00	2,438.05	-2,438.05	-100.0%
6-0330 - Fees & Permits	1,546.38	3,957.13	-2,410.75	-60.92%
6-0400 - Insurance - General				
6-0411 - Insurance Workcover	1,119.06	1,202.05	-82.99	-6.9%
6-0430 - Insurance-Contents	318.18	354.55	-36.37	-10.26%
<b>Total 6-0400 - Insurance - General</b>	1,437.24	1,556.60	-119.36	-7.67%
6-0480 - Meeting Expenses	2,863.08	6,342.97	-3,479.89	-54.86%
6-0490 - Membership & Subscriptions	975.27	0.00	975.27	100.0%
6-0510 - Postage & Courier Costs	461.63	869.54	-407.91	-46.91%
6-0520 - Printing & Stationery	1,300.82	3,990.16	-2,689.34	-67.4%
6-0570 - Rent, Rates & Light	6,681.71	14,331.23	-7,649.52	-53.38%
6-0590 - Repairs & Maintenance	62.31	0.00	62.31	100.0%
6-0600 - Salaries				
6-0605 - Salary Sacrificed Salary	38,027.84	45,062.90	-7,035.06	-15.61%
6-0611 - Salaries Taxable	101,043.26	101,588.45	-545.19	-0.54%
<b>Total 6-0600 - Salaries</b>	139,071.10	146,651.35	-7,580.25	-5.17%
6-0604 - S&W Recruitment Costs	0.00	577.28	-577.28	-100.0%
6-0607 - S&W Superannuation	12,682.42	13,188.47	-506.05	-3.84%
6-0615 - Staff Leave Provisions	-3,272.16	-9,738.96	6,466.80	-66.4%
6-0670 - Sundry Expenses	66.91	-2.04	68.95	-3,379.9%
6-0680 - Telephone & Fax & Internet	5,022.74	3,606.12	1,416.62	39.28%
6-0700 - Training & Development (Staff)	3,029.85	771.82	2,258.03	292.56%
6-0710 - Travel & Accommodation	3,022.92	381.60	2,641.32	692.17%
6-1000 - HACC Project - Expenses				
6-1010 - Consultancy Fees	7,721.59	0.00	7,721.59	100.0%
6-1020 - Meeting Expenses	110.55	0.00	110.55	100.0%
<b>Total 6-1000 - HACC Project - Expenses</b>	7,832.14	0.00	7,832.14	100.0%
6560 - Payroll Expenses	0.00	0.00	0.00	0.0%
<b>Total Expense</b>	192,514.32	254,907.08	-62,392.76	-24.48%
<b>Net Income</b>	<b>46,688.25</b>	<b>-21,510.13</b>	<b>68,198.38</b>	<b>-317.05%</b>



# Statement of Financial Position to June 2014

4:01 PM  
02/10/14  
Cash Basis

**Interchange Incorporated**  
**Statement of Financial Position**  
As of June 30, 2014

Statement of Financial Position

	<u>Jun 30, 14</u>	<u>Jun 30, 13</u>	<u>\$ Change</u>	<u>% Change</u>
<b>ASSETS</b>				
Current Assets				
Chequing/Savings				
1-1120 - Westpac Cheque Account - 0058	77,977.17	55,664.99	22,312.18	40.08%
1-1121 - Westpac debit Card - 3464	678.75	144.02	534.73	371.29%
1-1122 - Business Cash Reserve - closed	87,029.56	84,947.44	2,082.12	2.45%
1-1124 - Term Deposit - closed	107,022.94	103,550.68	3,472.26	3.35%
1-1125 - Comm Solutions Cash Resv Bonus	50.00	0.00	50.00	100.0%
<b>Total Chequing/Savings</b>	<u>272,758.42</u>	<u>244,307.13</u>	<u>28,451.29</u>	<u>11.65%</u>
<b>Total Current Assets</b>	<u>272,758.42</u>	<u>244,307.13</u>	<u>28,451.29</u>	<u>11.65%</u>
Fixed Assets				
1-7120 - Plant & Equipment				
1-7121 - Cost - Original	5,159.00	5,159.00	0.00	0.0%
1-7130 - Less Accumulated Depreciation	-4,694.23	-3,962.55	-731.68	18.47%
<b>Total 1-7120 - Plant &amp; Equipment</b>	<u>464.77</u>	<u>1,196.45</u>	<u>-731.68</u>	<u>-61.15%</u>
<b>Total Fixed Assets</b>	<u>464.77</u>	<u>1,196.45</u>	<u>-731.68</u>	<u>-61.15%</u>
<b>TOTAL ASSETS</b>	<u>273,223.19</u>	<u>245,503.58</u>	<u>27,719.61</u>	<u>11.29%</u>
<b>LIABILITIES &amp; EQUITY</b>				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 - Accounts Payable	-23.68	0.00	-23.68	-100.0%
<b>Total Accounts Payable</b>	<u>-23.68</u>	<u>0.00</u>	<u>-23.68</u>	<u>-100.0%</u>
Other Current Liabilities				
Grants received in advance	0.00	55,000.00	-55,000.00	-100.0%
2-1150 - GST Payable	6,306.79	-416.47	6,723.26	-1,614.34%
2-1170 - Leave Provisions	5,166.19	8,438.35	-3,272.16	-38.78%
2-2000 - Accrued Revenue - HACC Project	31,125.00	0.00	31,125.00	100.0%
<b>2100 - PAYROLL LIABILITIES</b>				
<b>2-1180 - PAYG TAX</b>				
2-1181 - PAYG Paid to ATO	-80,607.00	-69,749.00	-10,858.00	15.57%
2-1182 - PAYG Tax Auto	88,877.00	72,809.00	16,068.00	22.07%
2-1180 - PAYG TAX - Other	-3,672.00	0.00	-3,672.00	-100.0%
<b>Total 2-1180 - PAYG TAX</b>	<u>4,598.00</u>	<u>3,060.00</u>	<u>1,538.00</u>	<u>50.26%</u>
2-1190 - Superannuation Payable	1,492.37	1,601.43	-109.06	-6.81%
<b>Total 2100 - PAYROLL LIABILITIES</b>	<u>6,090.37</u>	<u>4,661.43</u>	<u>1,428.94</u>	<u>30.66%</u>
<b>Total Other Current Liabilities</b>	<u>48,688.35</u>	<u>67,683.31</u>	<u>-18,994.96</u>	<u>-28.06%</u>
<b>Total Current Liabilities</b>	<u>48,664.67</u>	<u>67,683.31</u>	<u>-19,018.64</u>	<u>-28.1%</u>
<b>Total Liabilities</b>	<u>48,664.67</u>	<u>67,683.31</u>	<u>-19,018.64</u>	<u>-28.1%</u>
Equity				
3000 - Association Funds	50.00	0.00	50.00	100.0%
3900 - Retained Earnings	177,820.27	199,330.40	-21,510.13	-10.79%
Net Income	46,688.25	-21,510.13	68,198.38	-317.05%
<b>Total Equity</b>	<u>224,558.52</u>	<u>177,820.27</u>	<u>46,738.25</u>	<u>26.28%</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>273,223.19</u>	<u>245,503.58</u>	<u>27,719.61</u>	<u>11.29%</u>

# Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

## Note

### 1. Accounting Policies

This financial report is a special purpose report prepared in order to provide financial statements which satisfy the requirements of the Associations Incorporation Act 2012 (VIC).

### 2. Basis of Preparation

#### a. Statement of compliance

In the opinion of the Board the Association is not a reporting entity. The financial report of the Association has been drawn up as a special purpose financial report for distribution to the Board and for the purpose of fulfilling the requirements of the Associations Incorporation Reform Act 2012.

The special purpose financial report has been prepared in accordance with the requirements of the Association Incorporation Reform Act 2012 and the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board.

The financial report does not include the disclosure requirements of all AASBs except for the following minimum requirements:

AASB 101 Presentation of Financial Statements  
 AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors  
 AASB 1031 Materiality  
 AASB 1048 Interpretation and Application of Standards  
 AASB 1054 Australian Additional Disclosures

The financial statements were approved by the Board on 24 October 2014.

#### b. Basis of Measurement

The financial statements have been prepared on the historical cost basis.

#### c. Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Association's functional currency.

#### d. Use of estimates and judgements

The preparation of a financial report in conformity with the AASBs require management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual amounts may differ from these estimates.

The estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### e. Change in accounting policies

There were no changes in accounting policies of the Association during the year.

### 3. Government Grants

Grants are recognised as revenue when Interchange Incorporated gains control of the underlying assets in accordance with AASB 1004 Contributions. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

## Notes to the Financial Statements cont.

### 4. Revenue Recognition

Revenue is recognised in accordance with AASB 118 Revenue. Income is recognised to the extent it is earned. Unearned income at reporting date is reported as income in advance. Amounts disclosed as revenue are, where applicable, net of returns, allowances, duties and taxes.

### 5. Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a reserve, such as specific restricted purpose reserve.

### 6. Interest Revenue

Interest Revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset.

### 7. Services Supported by HACC Service Agreements

Activities classified as Service supported by HACC Service Agreements are substantially funded by the Department of Health.

### 8. Comparative Information

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

### 9. Fixed Assets

Equipment and furniture are brought to account at cost less accumulated depreciation. Depreciation is calculated at the rates recommended by the Department of Human Services.

### 10. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and term deposits.

### 11. Employee Entitlements

Provision is made for Interchange's liability for employee entitlements to 30 June 2014 arising from their period of employment with Interchange. Provision for annual and provision for personal care/sick leave which is expected to be used within 12 months are treated as current liabilities.

### 12. Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of any GST, except where the amount is not recoverable from, or payable to the Australian Taxation Office. Receivables and payables in the Statement of Financial Position are shown inclusive of any GST.

### 13. Income Tax

Interchange Incorporated was granted exempt status and, accordingly, no income tax expense is charged in these financial statements.

### 14. Mortgages, Charges and Securities

There are no mortgages, charges and securities of any description affecting any of the property of the Association.

### 15. Trustee Activities

Interchange Incorporated was not the trustee of any trust during the period.

### 16. Auditors Remuneration

Audit Services - Auditor of Interchange Incorporated - A.L Law \$2,000.00.

No other non-audit services have been provided by A.L.Law.

# History of Interchange

**Interchange was established in 1980 by Maureen Crawford, the parent of a child with an intellectual disability.**

Maureen's five-year-old son James' needs were increasing to an extraordinary level as he grew up, and she was struggling to cope.

"The pressure of caring for James alone became physically and emotionally crippling," Maureen said.

"There was not one community body in our area able to offer respite care on a regular basis. Other parents like myself were isolated, often lacking in self-esteem, and unable to organise themselves because of the heavy, daily pressure of caring for their disabled children."

Maureen also worried about the long term effects this strain would have on her and her family.

"As my other children were growing older, I realised that not only was I unable to help him to develop outside interests, but that the locked doors, gates, etc. were isolating my children to an unnatural degree," Maureen said.

"This led to the realisation that if relief was not available on a regular basis, I and the rest of the family would disintegrate. I cannot stress how important this feeling of impending disintegration was in the motivation behind Interchange."

Together with a small group of parents, she opened the first Interchange program in Camberwell, Victoria, which is now known as Interchange Inner East. The program was designed to give families who had a child with a disability a regular break, through sharing the care with other people.

These 'other people' were known as hosts and would care for the child on a regular basis allowing a much needed break for parents. Whilst this 'break' was invaluable for parents, it was also recognised as an incredibly enjoyable experience for the person with a disability and the host.

Since this time, Interchange and its programs have grown from strength to strength. There are currently 12 agencies across the state of Victoria, as well as interstate agencies in South Australia, Queensland and Tasmania.

## History of Interchange Timeline

December 1980	Maureen Crawford holds a meeting of professional workers and parents who overwhelmingly support the establishment of Victoria's first Interchange program.
May 1981	St John's Home for Boys and Girls in Canterbury is chosen as the first Interchange Auspice Agency. This agency is now known as Interchange Inner East.
July 1981	First training programme for volunteer carers is commenced, with 19 host families attending.
September 1981	First Interchange Annual General Meeting held.
1981	Interchange receives its first government grant of \$4000 in the International Year of Disabled Persons.
1982	Interchange Outer East, Interchange Northern and Interchange Barwon (now Gateways) are formed.
1984	A state-wide body, Interchange Victoria, is incorporated to ensure Interchange's financial security, to set and maintain minimum service objectives, to resource new and developing services and to coordinate state-wide publicity.
1986	Interchange Gippsland and Interchange Central Highlands (now PINARC) are formed.
1990	There are 10 regional and seven metropolitan Interchange programs across Victoria.
2004	The Jean Simpson Award is established to celebrate the life and achievements of the late Jean Simpson, a long-time Interchange employee and campaigner for flexible respite for families who have a child with a disability. The annual award gives recognition to both staff and volunteers who demonstrate a strong commitment to Interchange and a continual effort to strive towards excellence.
2013	Interchange Victoria undergoes a large business restructure and moves premises from Braybrook to Melbourne's CBD.
2014	Interchange Victoria officially changes its name to Interchange Incorporated to reflect its nationwide operations.

# Interchange Agencies

## Interchange Inner East

Canterbury  
03 9836 9811  
<http://www.iie.org.au/>

## Interchange Outer East

Ferntree Gully  
03 9758 5522  
<http://www.ioe.org.au/>

## Interchange Western

Braybrook  
03 9396 1111  
<http://www.interchangewestern.org.au/>

## Interchange Northern

Reservoir  
03 9462 1011  
<http://www.interchangenorthern.org.au/>

## Merri Community Health Services (Interchange North West)

Pascoe Vale  
03 9350 4600  
<http://mchs.org.au/>

## Interchange Gippsland

Newborough/Leongatha/Wonthaggi  
1300 736 765  
<http://www.icg.asn.au/>

## Interchange Loddon Mallee

Bendigo / Swan Hill / Mildura  
03 5441 1599  
<http://www.interchangelm.org.au/>

## Moira Disability & Youth Service (Interchange Southern)

Hampton East  
03 8552 2222  
<http://www.moira.org.au/>

## Gateways Support Services

Geelong  
03 5221 2984  
<http://gateways.com.au/>

## PINARC Support Services

Ballarat / Ararat  
03 5329 1300  
<http://www.pinarc.org.au/>

## Wimmera Uniting Care

Horsham  
(03) 5362 4000  
<http://www.wimmera.unitingcare.org.au/>

## Upper Murray Family Care

Wangaratta / Wodonga  
02 6055 8000  
<http://www.umfc.com.au/>

## Centacare North QLD

Townsville QLD  
07 4772 9000  
<http://www.centacarenq.org.au/>


## Interchange South Australia

Norwood SA  
08 8132 5300  
<http://www.interchange.org.au/>

## Langford

Moonah TAS  
03 6228 9099  
<http://www.langford.org.au/>





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