



ANNUAL REPORT 2018



We are proud to play a part in people's achievements

COOTHARINGA ACHIEVEMENTS

1950's - 1960's

- Formation of the North Queensland Society for Crippled Children.
- Cootharinga Nursing Home Official Opening May 1957.
- Official Opening of the Matron and Nurses Quarters at Cootharinga May 1961.
- Nursing Home was extended 1968.



1990's

- Further 3 purpose-built accessible houses opening in Townsville. As well as in Cairns and one in Mackay.
- Change of name to The Cootharinga Society of North Queensland (1991).
- Commenced Rehabilitation Technology Service (1992).
- Commenced Family Support Service (1993).
- Accessible accommodation built in Mount Isa.
- Closure of the Cootharinga Nursing Home, completing transition from a "medical" to a "community living" model of supports.
- Commenced the Individual Support Service.
- Closure of Mount Isa accessible accommodation property.



2006 - 2010

- Launch of Respite Service in Townsville and Mackay.
- Opening of the Activity and Respite Centre.
- Commenced Walk With Me.
- Building of Leila Ave (Townsville), Little St (Cairns) and Meadow St (Mackay) - new accessible housing.



2015

- Purchased more land in Townsville for accessible housing.
- Commenced Indigenous Training Strategy and commenced training.
- Opened new office in Mackay.
- Commenced construction of Kinnardy St.



2017

- Opening of our new office in Cairns
- Opening of 2 new accessible homes in Cairns and Townsville
- We were approved to provide Aged Care In-Home Support
- > 450 NDIS Customers

1970's - 1980's

- De-institutionalisation commenced.
- Built Casa Martinez, first purpose-built house in the community providing housing to 10 people.
- Special Education and Training Centre opened. Later housed Administration and the Library.



2000 - 2005

- Achieved accreditation ISO 9001:2000.
- Babinda Bargain Centre opened (2002).
- Became a member of Ability First Australia.
- Purchased property at Keane Street for Head Office and RTS.
- Assisted individuals to move from Casa Martinez to Gardenia Ave - smaller accessible accommodation in suburban streetscape.
- Affiliation with Easter Seals in the USA.



2011 - 2014

- Our recently established Autism Service expands to children with all types of disabilities.
- Purchase of land at North Shore for future accessible housing projects.
- Commenced focused Support for School Leavers.
- Built 3 new accessible houses at North Shore, achieving first Platinum Standard Certification in Australia - now home for 4 adults.
- Launch of Parent Connect Service Rockhampton and Townsville.
- Re-established supports in Mount Isa and secured building in Mount Isa for School Leavers program.
- Commenced preparations for introduction of the NDIS.



2016

- Commenced building more accessible housing in Townsville and Cairns.
- Launch of Glencore Community Hub in Mount Isa.
- Opening of 1800Cootharinga Centre in Townsville.
- First NDIS Customers starts with Cootharinga.



2018

- Acquisition of Cootharinga Gardens.
- Expansion of Services - Charters Towers, Normanton, Croydon.
- Implementation of new Business System.
- Introduction of CEO Challenges across all regions.



BOARD OF DIRECTORS



Mr Rob Grant
President



Mr Colin Harkness
Vice President



Mr Ian Featherstone
Treasurer



Ms Anna Nicholls
Honorary Secretary



Ms Renee Bennett



Mr Kevin Byrne



Mr Wayde Chiesa
RESIGNED
4 October 2017

We thank each of our Directors who so willingly and enthusiastically volunteer their time and skills

OUR MEMBERS

Cootharinga North Queensland is a Company limited by guarantee registered under the *Corporations Act 2001 (Cth)*.

We are a membership based organisation, whose Life Members and financial Ordinary Members are entitled to vote on matters related to the organisation's Constitution and election of Directors of the Cootharinga Board at the Annual General Meeting.

We are proud to have an active membership base and a large number of Life Members who have provided sustained outstanding service to a wide spectrum of the organisation's activities.

CORPORATE GOVERNANCE STATEMENT

The Cootharinga Board is responsible for setting the strategic direction for Cootharinga, approving and reviewing budgets, monitoring and auditing Cootharinga's affairs and risk management processes, on behalf of Cootharinga members by whom the Directors are elected and to whom they are accountable.

These activities are conducted in accordance with the *Constitution of Cootharinga* and relevant legislation. Our *Governance Charter* provides an accountable and transparent top level framework of best practice corporate governance encompassing the key roles, responsibilities,

relationships, and policies whereby authority within Cootharinga is exercised and monitored. On 26 April 2017, the Cootharinga Board approved to rescind the then current Policies and adopt the proposed new 16 Policies, to come into force from 19 June 2017.

Activities are aimed at the delivery of quality services to people living with disabilities in North Queensland and ensuring that Cootharinga remains focussed on its Vision Statement. All Directors are non-executive and act in a voluntary capacity.

The Board has delegated responsibility for day-to-day operations of Cootharinga to the Chief Executive Officer and staff teams. The Chief Executive Officer reports to the Board through Cootharinga's President. In addition, Directors are members of a range of specialist "Board Committees", each of whom concentrates on specific areas and recommends action to the Board. The Board and each Board Committee has established:

- Roles
- Terms of reference
- Meeting and reporting requirements
- Structure and composition
- Functions
- Key performance indicator

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OUR STRATEGIC DIRECTION 2016-2019

Our Customers are

Anyone who is having difficulty living the life they want because of an impairment, temporary or permanent; or due to ageing

Our Purpose

Tailoring solutions to assist people live the life they want

Our Four Pillars

Our Overarching Values

Valuing All Abilities
Innovation & Creativity
Integrity
Courage
Strong Partnerships



Our Underpinning Business Drivers - we are:

Innovative
first or early to market
Flexible
making it easy
Proactive
prepare, anticipate & forecast
Customer-Focused
it's not about us
Professional
setting the bar high
Adding Value
going beyond

Our Vision

"Building a better world with people of all abilities!"



Support and Services

- 1.1 Tailor solutions based on customer choices and goals to deliver exceptional customer experiences
- 1.2 Invest in our staff to ensure we have the best people with the best skills to deliver the best service
- 1.3 Be recognised as the market leader and provider of choice for the support and services we deliver
- 1.4 Expand our services and supports to new sectors, geographies and to an e-marketplace with advanced point-of-sale capabilities



Empowerment

- 3.1 Maximise customers' capability and opportunities to exercise choice and control in their life
- 3.2 Refine and expand the Customer Connect model to support customers to achieve the form of support management they aspire to
- 3.3 Engage customers in co-design and co-production of our service offerings
- 3.4 Mobilise Community Investors (volunteers, sponsors, donors) to enhance value for our customers



Equipment Solutions

- 2.1 Maintain excellence in customised mobility and equipment solutions
- 2.2 Expand into a broader range of equipment and technology solutions
- 2.3 Improve the day-to-day reach of our support



Accessible Housing

- 4.1 Work with partners to expand the stock of quality accessible housing in North Queensland
- 4.2 Ensure all our owned residential housing embraces the Liveable Housing Design Guidelines – aspire to Platinum level, with a minimum of Silver level standard
- 4.3 Excellence in tenancy support – for tenants where we are their landlord; and for other customers in dealings with their landlords
- 4.4 Our role as landlord and property manager is separate to other support and service delivery

FROM THE PRESIDENT & CEO



Mr Rob Grant

Mr Rob Grant
President



P Mewett

Mr Peter Mewett GAICD
CEO

It is now our second full year and 75% of Cootharinga North Queensland's business is now operating under the National Disability Insurance Scheme (NDIS). Next year will see the NDIS in place across our entire footprint – from Sarina to Cape York and across to the NT border

It is fair to say that over the past two years we have seen the best and the worst of the disability sector's transition to the NDIS. Cootharinga remains a champion of the NDIS and the positive impact it will have for North Queenslanders with a disability and their families. Opportunities have opened up where we are actively growing in areas like in-home aged care. However, in 2017-18, NDIS customers represented by far the majority of our business operations, followed by State Government funded disability support in Cairns and Far North Queensland.

Many of our NDIS customers have made outstanding improvements in their lives and have taken advantage of the greater opportunities available to them. We are pleased to have played our part in their achievements and their journey to live the life they want.

At the same time, there is no disguising that the past two years has proven a difficult business environment for most disability services providers – it has been turned around by 180 degrees. Cootharinga, like other early adopters, has underwritten, from our own Balance Sheet:

- the evolution of the NDIA's processes and platforms; and
- the cash impact of moving from being paid in advance to being paid in arrears.

In return, while we have received accolades from both levels of government, Cootharinga has received no direct financial support from any level of government to transition our business models and systems to meet the demands of a radically reformed business environment. This remains a major point of contention for most providers.

More often than not, we are now, witnessing providers in other places closing their doors or restricting their service offerings to a select group or type of customer. Cootharinga has avoided doing either, in the best interests of our customers.

We remain very active in lobbying government and the National Disability Insurance Agency (NDIA) to improve the NDIS for customers and providers, alike. We are proud to have a profile on the national stage in representing the interests of regional and remote communities and those people with complex support needs.

In 2017-18 we have:

- delivered quality outcomes for an expanding customer base across North and Far North Queensland communities
- expanded our service footprint into even more regional communities
- established new offices in Charters Towers and Normanton
- implemented new business systems to improve our capability and

accountability to customers (a significant financial investment)

- improved our cash position trends, which are much more positive than in the two previous years
- received over \$1.2 million in in-kind support from our community investors
- finalised the transfer of community housing infrastructure in Babinda, launching Cootharinga Gardens
- provided another platinum standard accessible housing option to four people in Cairns;

In 2017-18, we increased the number of people receiving services by 16%. Although our service revenue has increased by 10%, our total operating costs have only increased by 7.5% due to improvements in our organisational efficiency following the introduction of new business systems. These efficiencies will be evident, providing significant traction in 2018-19. At the same time, customer satisfaction remains high and has improved over the past 12 months.

We still have a way to go and for the second year running we are returning a business operations loss. In 2017-18, it is \$1,526,153. This is an improvement on 2016-17's equivalent business operations loss of \$1,600,036. The net loss in 2017-18, however, is significantly more than the above. Over the past year we have made significant one-off investments in new business systems and other business improvements. The above figures also do not cover non-cash items such as depreciation.

We have also taken a responsible business decision to deliver a conservative underlying financial landscape for the organisation as a basis for business operations in 2018-19.

This has been deliberate and provides a base position for our Balance Sheet. This has had a negative impact on the overall financial result in 2017-18 and includes a number of "book losses" such as:

- a revaluation of properties and assets
- "provisioning" of any debts for which we do not have an iron-clad guarantee – even though most are NDIA debts, which have a high probability of recovery.

This means that our overall loss, including non-cash items, is a one-off result which is significantly worse than the loss incurred in our ongoing operations.

Our "no growth" budget for 2018-19 sees us achieving a small surplus, while meeting all variable and fixed costs, and enabling Cootharinga to continue to deliver value-add support to customers.

We look forward to growing from strength to strength in 2018-19 and continuing to fulfil our Purpose and promise to North Queenslanders by *tailoring solutions to assist people live the life they want.*

SUPPORT & SERVICES

The 2017-18 financial year was a year of consolidation within the Services division of Cootharinga North Queensland. We continued to tailor our range of supports and services to deliver quality outcomes against our customer's life goals in what has been a challenging environment. Increasing the workforce still remains a challenge for both Cootharinga and the sector as a whole to meet the increased demand of customers who now have access to funding thanks to the NDIS.

Individual Customers – Cootharinga continues to provide individual support services to customers in their home and within their local community. These services are delivered in Karumba, Normanton, Mount Isa, Tablelands, Cairns, Sarina, Mackay, Proserpine, Charters Towers and Townsville.

Supported Independent Living – Shared living arrangements continue to be in demand with Cootharinga currently having no vacancies. We continue to work with the wider community to increase accessible housing for customers within our communities.

Allied Health – Our team has grown in size this year to meet the market demands and growth within the regions. In addition to Speech Pathology, Occupational Therapy and Physiotherapy, we now have therapy assistants working with our customers to deliver better value for money outcomes.

Skills and Transition – Our program this year saw a substantial redesign to better meet customer's expectations and life goals. Courses are delivered both individually and within a group setting to build individual skills of our customers.

School Holiday Program – This structured program is run during the school holidays at Mt Louisa House of Praise and provides activities and support for up to 10 young children per day.

Accommodation and Recreation Centre – This service has seen the introduction of day programs to complement our short term accommodation. Our ARC Life Skills has supported over 50 customers whilst our short term accommodation operates 365 days a year with 5 rooms available.

Aged Care – We have commenced supporting customers with approved Home Care packages of all levels.



Wyatt and his therapists

John

John became a customer of Cootharinga when he started attending our Skills & Transition Program. The program focuses on developing skills in young adults with disability to transition from school independently, and potentially achieve paid employment and participation in community activities. When John first started attending the program he didn't walk. His Cootharinga support worker encouraged him to leave his wheelchair at home and walk across the carpark to the building each morning whenever he attended the program. He also rarely spoke and only briefly acknowledged greetings.

Now John initiates greetings, chats with other customers and staff and is very clear about the activities he does or doesn't want to do, making his own decisions. This is an incredible transformation from a man who 10 months ago wouldn't even transfer from his wheelchair to a standard chair, to a man who walks independently with his walker. His family were blown away to see him walking out and about in the community as he doesn't walk at home.

Wyatt

Our Allied Health Team were lucky to meet little Wyatt and his family when they commenced with our Allied Health Service last year.

Wyatt accesses physiotherapy, occupational therapy and speech pathology services and has made all of our therapist's hearts melt with his cute smile and cheeky sense of humour.

When we first met Wyatt, Wyatt was not yet communicating with his peers and had some difficulties engaging with his environment. With regular therapy focusing on trunk stability, positioning, fine motor skills and communication, Wyatt is now beginning to request items, food and tell people what he is thinking (especially when he is not happy with his therapists!) with his PODD book, engaging with his environment from different positions and playing with his toys, family and friends!

Wyatt's world has broadened as he continues to meet his therapy goals and strengthen his relationships with his family and friends. Go Wyatt!

Helen

Helen was Cootharinga's first aged care customer and receives assistance under the Home Care package program.

At first, Helen didn't want any support or assistance.

At the end, she credited Cootharinga with making a real difference in her life and helping her to become more independent.

Cootharinga's Support Workers Michelle Wooster and Lea Marie Dametto helped Helen with the shopping, cleaning and paying her social visits.

Helen said it was nice to have "the girls" call in and help her out, leaving her with more time to do other things.

"The girls are always willing to help and their personalities are wonderful," she said.

"It's a wonderful outcome."

Helen was looking forward to getting out of the house more and would like to visit Cairns and go swimming.

EQUIPMENT SOLUTIONS

Cootharinga North Queensland's Equipment Solutions provides assistance to people with specialised seating and mobility needs. The goal of Equipment Solutions is to enhance the lives of individuals through timely improvements and repairs or modifications to people wheelchairs or other mobility equipment. This is a unique service, and seeks to provide the service where people are located.

2017/18 saw Equipment Solutions become an authorised dealer of Spex Seating. Spex delivers customised off the shelf seating solutions. As people's postural needs change, a registered therapist can adapt the seating solution without needing to script a whole new seating system, thus allowing a greater level of adaptability for complex seating needs. This partnership has complimented the broad range of seating customisation and modification that we have provided to people across North Queensland.

In addition to seating solutions our team work on a range of mobility equipment including:

- Repairs and Maintenance
- Seating Assessments
- Tailored and Customised Solutions
- Upholstery service
- Hoist repairs and maintenance

Our team has again delivered outreach services within our footprint. This includes 126 seating assessments, 94 modification services and 190 repairs to people living in Ayr, Babinda, Bowen, Cannonvale, Charters Towers, Ingham, Innisfail, Mackay, Moranbah, Mossman, Proserpine, Sarina, Tablelands, Townsville and Tully. This important service ensures people living in these regions continue to have access to tailored and customised equipment solutions.

Equipment Solutions is now positioned to provide a more responsive and flexible service to customers who need both custom engineered and off-the-shelf customisable solutions to their mobility and assistive technology needs. Given the equipment approval process can still be a slow process, albeit improved under the NDIS, we are seeking to ensure this is not exacerbated by slow delivery of a finished product once approval is given. The team have been working hard to streamline and refine processes to support this initiative.

Jeff, Kayleen, Phil and now Neil have become an effective and efficient team, ably supported by a number of dedicated volunteers, and are looking forward to expanding the range and responsiveness of services in 2018/19.



Equipment Solutions Team

EMPOWERMENT

In 2016 we implemented a unique model of customer service at Cootharinga North Queensland for all our service streams, which sees our Customer Connect teams across North Queensland act as account managers for our customers. Many organisations provide paid Supports Coordination under the National Disability Insurance Scheme (NDIS); at Cootharinga, we go a step further. All our customers, whether we are their NDIS Supports Coordinator or not, have a designated account manager who is quite separate to our service stream.

Account managers are a first point of contact for new and existing customers. We aim to add value throughout every customer's journey with Cootharinga, not simply paid assistance to coordinate the implementation of their NDIS.

This gives Cootharinga customers access to a wealth of firsthand information, advice and tangible support from highly experienced staff, as well as providing a central point to coordinate all of their Cootharinga supports and services. We use all our experience in NDIS Supports Coordination as well as from the broader landscape of community life to help tailor solutions to assist our customers live the life they want, not just have their reasonable and necessary supports met under the NDIS.

Our Customer Connect Account Managers work closely with customers to assist them to better understand their life goals and to empower them to exercise their choice and control to live the life they want. Shifting from a person-centred to a person-directed approach is foremost in the minds of our staff, as we endeavour to build our customers' capacity to take charge of their own journey.

In the three years since the NDIS began in North Queensland, Cootharinga has delivered life-changing assistance to our customers. One customer who could only attend group activities with a support worker has developed the confidence to not only attend on his own but to travel there on his own; another customer was able to identify a better living arrangement for them and move with the support of Cootharinga and the NDIS, and yet another customer was able to help coordinate much needed repairs to their equipment which allowed them to access the community and live a fuller life.

With over 500 customers currently engaging with Customer Connect, our teams are working towards making a difference in the lives of North Queenslanders every day.

**Matt achieving
his goal -
learning to
swim**



**David achieving
his goal -
learning
gymnastics**



**Our customer, Darryl, achieving one of the NDIS
goals - learning to drive**

ACCESSIBLE HOUSING



Cutting the Ribbon

Cootharinga has continued to be very active in seeking out more opportunities to expand the stock of quality accessible housing in North Queensland. Even though it is unlikely, that in the near future, Cootharinga will build many new residential homes, a number of partnerships with local builders, investors and organisations will see further construction of accessible housing. Cootharinga are also looking at a number of options to increase the amount of short term accommodation in Townsville. One of our biggest challenges as we move forward is the acquisition of suitable land to meet all the requirements of accessibility to local infrastructure.

The new house in Cairns, constructed last year, is now fully occupied and the tenants are enjoying all the benefits of this purpose built home.

After a number of years and at times, significant challenges, Cootharinga now own and operate the accommodation facility in Babinda. Previously known as Abbeyfield House, Cootharinga Gardens provides accommodation for up to 10 people and is designed to provide accommodation to people who struggle to afford any other suitable accommodation. The local Babinda community were of great assistance during this period and should be commended for their efforts during their ownership and the subsequent transition.



Cootharinga Gardens in Babinda

COMMUNITY INVESTORS

As a pathway to connect strongly with the community, fundraising events have always been a major part of our Community Investor strategy. This year we introduced two new innovative events. The Cocktail party was refreshed and replaced by "Nightlights by the Water!" This stunning dinner under the stars was held at the Maritime Museum Park and featured the 1RAR band; the Shaughnettes; it was catered by A Touch of Salt and MC'd by Bernadette Smith and Kevin Wright from the Stagedoor Theatre Restaurant. With 120 guests, we raised \$7.7K. For a first event it was superbly rolled out and supported. We are looking forward to raising more funds at this year's Night Lights!

Our Charity Golf Day, in its 18th year, never fails us. The partnership we have with Townsville Golf Club continues to strengthen and deepen providing a valuable event for us to further connect with the community. This year we raised \$18K. The catering was sponsored by Crown on Palmer with Vinnie Aston as the Master of Ceremonies.

The CEO Challenge, "Does your CEO Walk on Water", was developed to build brand awareness and create a competitive fundraiser amongst the regions. Townsville's event was held at the Rock pool and Fish Inn Restaurant and saw 22 competitors participating in the fun. Won by Mick from Rowan Air, this was an extremely well run and fun event. The rest of the Challenges being held between now and the end of the year culminating at the next Night Lights event to announce the winner!

The ANZ Bank very generously selected us as their Charity Golf Day beneficiary in Cairns which raised \$8,364 and again we were the beneficiary of funds from the Piers Melbourne Cup event of \$7.5K.

Our regional volunteer program is being developed with the aim to attract further community engagement

and with a strong focus on "go local buy local" we are inviting local retailers in our local communities to get involved with our staff loyalty program.

Grants

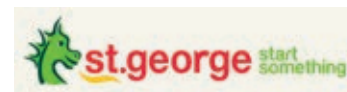
Fundraising from grants dropped this year, as there exists the perception that due to the NDIS, we no longer need grant funding. This couldn't be further from the truth. Our future focus will be to change this perception alerting the community to the fact that there are gaps in the NDIS customer packages that we need to fill. A sincere thank you to the CBA for a grant of \$30k for Skills and Transitions Literacy and Numeracy course; Transport and Main Roads for \$10K to allow us to roll out a Road Safety Program, Townsville Airport \$1,492 for a Skills & Transition program, and Mount Isa City Council \$2,100 for an Arts and Drama course.

Marketing and Communications

Our TV campaign that has been running on most TV stations and throughout the regions for the past year has heralded many positive comments and valuable feedback. An out of area (Gladstone) donation of \$10K was received purely after having seen an ad. Following trends with the Social Media campaign we have expanded our platforms to Instagram and twitter. For a second year in a row, Paradise Advertising have very generously sponsored 6 Billboards across the North Queensland Region bringing further brand awareness with particular impact in Mount Isa. We also invested in a News Corp Advertising Initiative, resulting in huge savings and attendance at events in all regions to connect further with our communities. A huge thank you to Harcourts Kingsberry for sponsoring our On The Move quarterly magazine and sincere gratitude and thanks to every one of our generous community supporters who continue to support us to achieve our vision of "Building a better world with people of all abilities!"



CORPORATE PARTNERS



Our Vision: "Building a better world with people of all abilities!"

OUR BILLBOARDS

Our Billboard – Generously Sponsored by Paradise Outdoor Advertising

Through Paradise Outdoor Advertising's progressive and philanthropic charity program, we have benefitted from 11 billboards over 2 years, across our North Queensland footprint, engaging communities and creating awareness of our vision, purpose, services and values.

Thanks to the extraordinary \$130,000 sponsorship from Paradise Outdoor Advertising, Cootharinga North Queensland's industry growth and public brand awareness continues to heighten and strengthen. One such example of this success is evident thanks to the fantastic rotational placement of the Mount Isa billboards and in particular two brilliant locations 1. the airport entrance and 2. the arterial highway. By default of the beautifully unique Gulf Country landscape, these billboards can be seen far and wide - exceeding our exposure and coverage expectations.

The team at Paradise Outdoor Advertising are truly genuine and passionate about their product and their clients. Mitch James, CEO and Aaron Power, Business Development Executive continually go above and beyond customer relation expectations. Not only is Aaron a great guy, he considerably notifies Cootharinga each time he rotates our portfolio, forwards photographs and keeps us in the loop of any changes. No request or question is too big or small.

Paradise Outdoor Advertising not only support us by way of their billboard sponsorship, they also sponsor many other fundraising events we hold. Notably our annual charity Golf Day, where Mitch's generosity knows no bounds when it comes to bidding on auction prizes. Thank you Mr James!

Our customers absolutely love seeing the larger than life images of themselves and their friends on full display for all of North Queensland to embrace. The dynamic images from these billboards highlight the wonderful messages of complete inclusion and acceptance of people living with disability within our community.

Cootharinga staff stand united, proud and engaged, in part, due to the powerful advertising presence and messages these billboards portray. We are truly thankful and so appreciative of Paradise Outdoor Advertising and their staff for their stunning support.



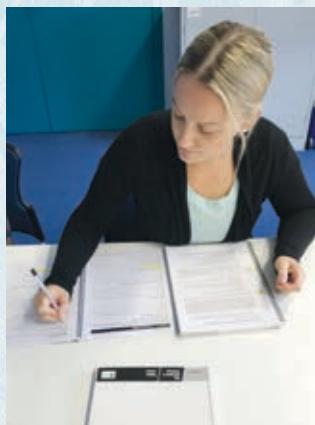
OUR STAFF

As Cootharinga's services and footprint across North Queensland grows, so do our number of staff. All of our regions are growing and it is great to see a presence in Charters Towers and Croydon. There is also an expectation that we will soon have staff in the Cassowary Coast region. Adaptability in training of staff has become a major priority and a new and varied training program has been implemented. Approximately 50% of induction training is now completed on line with a number of competencies still needing to be completed on a face to face basis. This may well still be further refined in the future.

The HR team has been actively involved in moving from the previous HR system to a new system. The new system will incorporate Finance, Payroll, HR, Workplace Health and Safety and Rostering. Exciting times ahead.

As I finish writing this article, I think of the last twenty three years I have been involved with Cootharinga, predominantly in the Senior HR position (my 21st annual report). As I prepare to retire, I have witnessed many changes at Cootharinga but one thing that never changes is the great commitment, professionalism and motivation of our staff. It has been a great pleasure to work at Cootharinga and I look forward to watching Cootharinga continue to grow and provide excellent services throughout North Queensland.

Steve Cairns, Chief of Corporate and Property Operations



A new and valued staff training program

Cootharinga staff completing face to face training



OUR BUSINESS CAPABILITY

A New Home and New Friends

Early in 2018 a customer from Charters Towers had a need to find accommodation due to circumstances out of his control. It was identified that the best possible outcome for him would be to move into Supported Independent Living where he would be able to receive the right support to allow him to live happily and comfortably, as well as enjoying the company of his peers. With the assistance of his support coordinator he was able to move through the process of being approved for Supported Independent Living funding in record time, and before long was residing happily in a beautiful Cootharinga home with other men his age and attending social activities where he can interact and make new friends. This is a life changing outcome that was made possible through the NDIA and the support of Cootharinga staff.



New house mates enjoying a social night out at the Cowboys

Making Someones Day

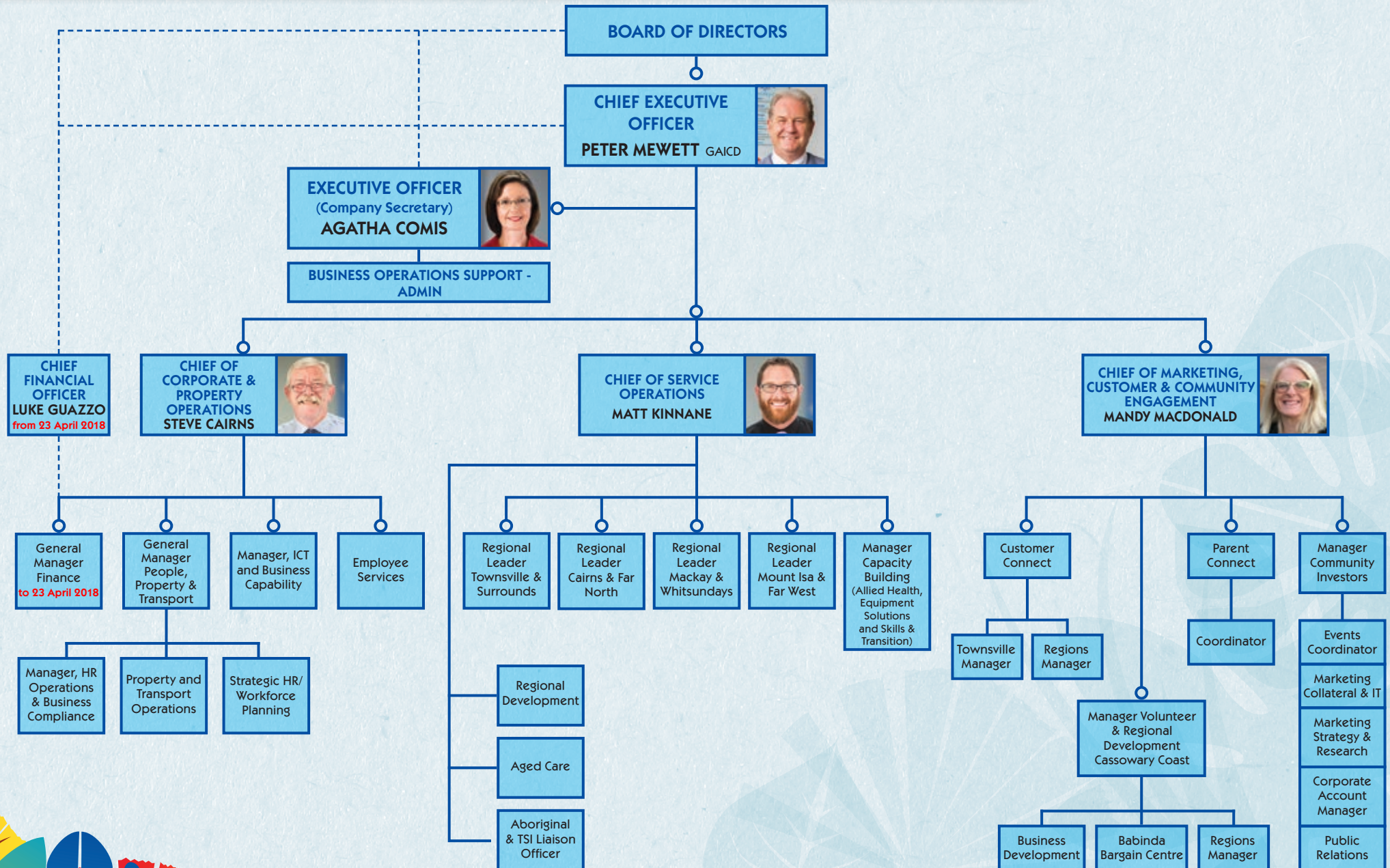
My name is Mary, and my husband and I are travelling around Australia with our 2 dogs. We were in Mackay last week visiting friends. Last Monday morning we were at the Botanic Gardens with our dogs and we crossed paths with one of your support workers. She was with a gentleman in a wheelchair, who she introduced. My husband and I were very impressed with the care and respect that your carer was showing the gentleman. We had a disabled son who was high care, who has passed, and it really touched my heart to see the interaction between the two of them.

We were walking our dogs along the path and your support worker with the gentleman in the wheelchair were coming towards us. Naturally the dogs got excited and we stopped. The carer asked if it was alright, if the dogs don't bite, could the gentleman pat them. Well.., it ended up with the gentleman holding the lead and taking one of the dogs for a walk with the carer pushing him. It was just lovely and you could tell he was happy doing this. It made our day as we have seen carers who don't care, and don't do their job properly, especially if they think no one is watching.

Congratulations Cootharinga, on employing staff who treat the most vulnerable in our society with respect. We hope we make the support worker's day, like she and the gentleman made ours!

Mary B. from Sydney

ORGANISATIONAL CHART JUNE 2018



The Cootharinga Society Of North Queensland **REPORT ON OPERATIONS FOR THE FINANCIAL YEAR ENDED 2018**

Result for the Year

The Accounting Deficit of the company for the financial year ended 30th June, 2018 was \$4,093,921.

Review of Operations and Results of Operations

Cootharinga North Queensland's overall financial result for the year ended 30 June 2018 was a deficit of \$4,093,921. This represents a \$4,033,439 increase in deficit from the year ended 30 June 2017, including one off capital funding, investment revaluations, sale of financial assets, impairments of land and buildings, provision for doubtful debts and technology one write off. For the regular operations (operations excluding one off capital funding, investment revaluations, sale of financial assets, impairments of land and buildings, provision for doubtful debts and technology one write off) of the company the result was an operating deficit of \$1,526,153.

The main factors contributing to this result were as follows:

Income

Total Revenue has increased by \$2,061,896 mainly as a result of the following:

The implementation of the National Disability Insurance Scheme in North Queensland (NDIS) resulted in an increase in NDIS Income of \$7,330,533 and a subsequent reduction on Qld Government Disability Services funds of \$5,268,637.

Total Other Income has decreased by \$1,727,670 mainly as a result of the following:

Once off capital funding decreased by \$774,737 due to the Company housing projects being substantially completed in 2017.

Fundraising income including Bequests has decreased by \$773,323 due to the once off bequest of Capability Employment Services of \$998,167 occurring in the 2017 financial year; Investment property rental income has increased by \$107,836;

Gain on Disposal of shares increased by \$274,603 due to sale of share investments to support cash flow.

Sales/Fee For Service Income decreased by \$225,493.

Expenses

Total operational expenses have increased by \$1,908,271 mainly as a result of the following: The operating costs increases relate to employee remuneration expenses due to increases in wages from the Equal Remuneration Order; new service delivery cost relating to the increases in services funding being the transition into NDIS and transition out of DS funding noted above; increase in once off and ongoing operational overheads to work in the NDIS business environment; Cootharinga over-delivering support to customers compared to their NDIS Plans; and general inflationary cost increases.

Non-operating or once off costs consisted of:

An independent valuation review identified land and buildings impairments of \$1,037,046.

A provision for doubtful debts of \$860,000 was taken up due to delays in debtor recovery from NDIA.

A technology one write off of \$502,631 occurred due to a software implementation project delay.

Balance Sheet

The transition into NDIS has resulted in a significant movement in balance sheet items:

- Non-Current Financial Assets decrease of \$1,677,956, as shares were liquidated to fund day to day operations as a result of delay in recovery of NDIA debtors.
- Current Trade and Other Receivables decrease of \$1,528,771, mainly due to the take up of a provision for doubtful debts of \$860,000. This provision is brought to account due to ongoing delays in payment from NDIA albeit the Company is still confident of majority recovery.
- Non-Current Property Plant and Equipment decrease of \$1,661,567, mainly due to the impairment being recognised of \$1,037,046.

The transition into the NDIS business environment has required a significant investment in ICT and Business Systems Capabilities and additional Cost Centres which resulted in an increase in Furniture, Plant & Equipment and Intangibles.

The transition to NDIS has changed the funding environment from funding received in advance to payment in arrears for services delivered and has resulted in short term cash flow shortages. The Company is confident this has been resolved through a 2019 budgeted surplus and a NDIA claim payment success of 95% since 1 July 2018.

A review of operations and the results of those operations for the financial year are set out in the CEO and President's Report.

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
Revenue	20,330,218	18,268,322
Other Income	2,419,224	4,146,894
Employee benefits expense	(20,019,071)	(17,990,668)
Depreciation and amortisation expense	(556,943)	(587,736)
Doubtful debts expense	(860,000)	—
Impairment of land and buildings	(1,037,046)	—
Tech one write-off	(502,631)	—
Repairs, maintenance and vehicle running expense	(600,249)	(669,126)
Light and power expense	(164,454)	(163,135)
Rental expense	(232,107)	(137,433)
Training expense	(151,353)	(227,257)
Audit, legal and consultancy expense	(104,167)	(114,896)
Fundraising expense	(66,267)	(118,184)
Interest	(76,888)	(77,223)
Other expenses	(2,472,187)	(2,390,040)
Profit/(Loss) before income tax	(4,093,921)	(60,482)
Income tax expense	—	—
Profit/(Loss) for the year	(4,093,921)	(60,482)
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Fair value gains/(losses) on available-for-sale financial assets, net of tax	(294,400)	7,236
Total other comprehensive income for the year	(294,400)	7,236
Total comprehensive income for the year	(4,388,321)	(53,246)
Profit/(Loss) attributable to members of the company	(4,093,921)	(60,482)
Total comprehensive income attributable to members of the company	(4,388,321)	(53,246)

BALANCE SHEET

AS AT 30 JUNE 2018

	2018 \$	2017 \$
Current Assets		
Cash and cash equivalents	1,970,514	995,566
Trade and other receivables	956,504	2,485,275
Financial assets	—	973,704
Total Current Assets	2,927,018	4,454,545
Non-Current Assets		
Financial assets	470,480	2,148,436
Property, plant and equipment	11,503,804	13,165,371
Other receivable	69,375	69,375
Intangible assets	493,898	—
Total Non-Current Assets	12,537,557	15,383,182
Total Assets	15,464,575	19,837,727
Current Liabilities		
Trade and other payables	2,337,606	2,233,640
Borrowings	—	—
Provisions	1,649,247	1,736,324
Total Current Liabilities	3,986,853	3,969,964
Non-Current Liabilities		
Borrowings	1,500,000	1,500,000
Provisions	129,621	131,341
Total Non-Current Liabilities	1,629,621	1,631,341
Total Liabilities	5,616,474	5,601,305
Net Assets	9,848,101	14,236,422
Equity		
Retained earnings	9,598,122	13,692,043
Reserves	249,979	544,379
Total Equity	9,848,101	14,236,422

NOTE 21:

GOING CONCERN

The company has incurred an operating loss of \$4,093,921 in the 2018 financial year (a loss of \$60,482 in 2017). At 30 June 2018 the company's current liabilities exceed current assets by \$1,059,835 (the situation was in reverse in the prior year with current assets exceeding current liabilities by \$484,581 in 2017), however the directors are of the opinion that the going concern basis adopted in these financial statements is appropriate for the following reasons:

The company has projected an EBITDA of \$265,722 for the 2019 financial year.

The Company does not consider that all the current long service leave provision will be taken in the next 12 months.

The Company will continue to reconcile the back log of debtors and pursue claims from the NDIA the doubtful debts of \$860,000.

Staffing levels have been reduced due to efficiencies in new systems implementation and extra savings initiatives have been implemented.

The Company has a good relationship with the Commonwealth Bank of Australia "CBA" and expects the CBA debt to be renegotiated on favourable terms with the Company in the future.

THE COOTHARINGA SOCIETY OF NORTH QUEENSLAND DIRECTORS' DECLARATION

The Directors of The Cootharinga Society of North Queensland declare that, in the Directors' opinion:

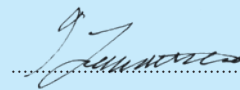
- a) The financial statements and notes of the company have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
- i) comply with the Australian Accounting Standards - Reduced Disclosure Requirements; and
- ii) give a true and fair view of the financial position of the company as at 30 June 2018 and of its performance for the year ended on that date; and
- b) There are reasonable grounds to believe that the registered company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Director

Rob Grant (President)



Director

Ian Featherstone (Treasurer)

Dated this 12th day of October 2018

THE COOTHARINGA SOCIETY OF NORTH QUEENSLAND INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Report Opinion

We have audited the financial report of Cootharinga North Queensland (the registered entity), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Cootharinga North Queensland has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i giving a true and fair view of the registered entity's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- ii complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the registered entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter

Without modifying our opinion, we draw attention to note 21 to the financial statements, which explains that the financial statements have been prepared on a going concern basis. The entity believes that they are in a position to continue as a going concern having given consideration to the items outlined in note 21. Should the matters

outlined in note 21 not occur, there would be significant uncertainty as to the entity's ability to continue as a going concern.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

This description forms part of our auditor's report.

Jessups Accountants and Business Advisors



Darren Thamm
Director

Dated this 12th day of October 2018

COOTHARINGA EVENTS 2018







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Our Purpose:

“Tailoring solutions to assist people
live the life they want!”



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