



2020 ANNUAL REPORT

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Mission Statement

“To assist people with disability through independent advocacy.”



Vision Statement

“A world of equality, justice and choice.”

Our History

From the initial meetings of interested people in 1987, a public meeting was organised to investigate the level of support for the concept of a rights and resource office for people with disability within the wider community. Approximately sixty people attended the meeting and a Steering Committee was formed, comprised of people with disability. Their primary task was to prepare a submission for the (then) Federal Department of Health, Housing and Community Services, for funds available to client groups as outlined in the Disability Services Act (1986).

The Steering Committee was successful in securing funding in late 1988, following which a further public meeting was held in March 1989 to elect a Management Committee from its membership of people with disability. This was the beginning of Independent Advocacy in the Tropics. The funding provided and enabled the Management Committee to open an office and to employ a full-time co-ordinator/advocacy worker and a part-time administrative worker. The role of the co-ordinator was focused on assisting individual people with disability to advocate for themselves. Independent Advocacy in the Tropics Inc. (IATI), was incorporated on 28th June 1991.

In 2004, Independent Advocacy Townsville, the first Business Name was registered, and it was not until 2018 that Independent Advocacy NQ, our second Business Name to truly reflected the large area we service was registered.

Strategic Objectives

- 1. Deliver and Grow Quality Services:** provide quality accredited advocacy to those with disability in our service region to achieve their personal goals without harmful effect and to expand these and introduce further services as the opportunity presents itself.
- 2. Excellence in Governance and Leadership:** responsive, dynamic and accountable management of the organization that drives service improvement and innovation through a collaborative policy cycle and continuing analysis of its governance, systems and procedures.
- 3. Broaden Engagement with Stakeholders:** harnessing all facets of social interaction, by continuing to develop a strong marketing and networking strategy and learn from the skills and knowledge of our community partners and stakeholders.
- 4. Engaged and Productive Committee and Staff:** foster a culture that is vibrant, innovative, collaborative and inclusive as we strive to effect positive change in the lives of those with disability.

Accreditation and Standards



Staff and Volunteers

All Members of the Management Committee and the Chief Executive Officer would like to acknowledge and thank the dedicated staff and volunteers of IATI who give above and beyond what they are required to do. We are truly blessed to have such people working for us to help improve the lives of those in truly vulnerable positions. Our staff and volunteers for 2019-2020:

ADVOCATE/NDIS APPEALS OFFICERS

Mark (Mac) Clayden

Helen De-Campo

Anne Hansen

Joanna Mullins

ADMINISTRATION

Beverly Smith, Operations Manager

Leanne Ashcroft, Admin Officer

Tiara Spain, Cert III Business Administration
Apprenticeship/Traineeship

STUDENT PLACEMENT

Jill Sutcliffe, Masters of Social Work

INTAKE OFFICER/ADVOCATE

Jessie Taylor

Management Committee 2019

In accordance with the Constitution, we are led by a Management Committee, the majority of which have disability. As our organisation has grown, committee members have also come from a more diverse background.

Non-Executive Directors:

President & Public Officer:

Michael Collins

Vice-President:

Tania Hornberg

Secretary:

Deborah Wilson

Treasurer:

Ross Kingsun

Members:

Melissa Baker

Vicki Newton

Executive Director:

Chief Executive Officer

Deborah Wilson

Management Committee Nominees 2021

President & Public Officer:

Melissa Baker

Vice-President:

Michael Collins

Secretary:

Deborah Wilson

Treasurer:

Ross Kingsun

Members:

(Vacant)

President's Report

On behalf of the Management Committee of Independent Advocacy in the Tropics, Inc., I wish to present my Annual Report for 2020.

In 2019 we as a community were challenged by flooding in Townsville and North Queensland. We as an organization, stood to the challenge and over came obstacles placed before us.

Then 2020 arrived. We were grateful to have 2019 behind us, and we looked to a much better year ahead. Well, a new challenge arrived in the form of a virus, which was to create challenges for our whole world.

Our organization was up to the challenge again and we continued to provide advocacy services to our clients utilizing available and new technologies, thereby continuing to provide advocacy for the most vulnerable people with a disability.

I wish to thank our team of Deborah, Beverly, Leanne, Anne, Helen, Joanna, Mac and Jessie for the dedication to our clients, and to their adaptability to working from home. The working environment has changed for many and working remotely has proven to have many benefits.

I also acknowledge and thank our members of the Management Committee, Tania Hornberg (VP), Deborah Wilson (C.E.O.)/Secretary, Ross Kingsun (Treasurer), Vicki Newton, Melissa Baker for their contributions and participation in the governing of our organization. We say farewell to Vicki who has decided to fulfill her desire to see more of Australia.

I wish to pay a special tribute to Tania Hornberg. Tania was a member of our management committee twice and for a number of years having served as Vice-President and devoted her time and effort to advocating for people with a disability. Tania was seriously ill during the past twelve months. If there was an issue which impacted the lives of the disabled, Tania spoke out. On behalf of all members of Independent Advocacy in the Tropics, Inc. we say thank you for all you have accomplished as an advocate, and for your membership of this organization. Tania, you are missed.

I also wish to thank the following funding bodies, as without their assistance, we would not be able to continue our services.

- Department of Social Services (DSS)
- Department of Communities, Disability Services and Seniors;
- Queensland Health; and
- Community Inclusion Capacity Development (CICD) Program (Disabled Peoples and Families Organisations - Information, Linkages and Capacity Building (ILC) Readiness Round 2018-2019

There is always a demand for volunteers in any organisation, and in particular ours. We welcome individuals and organisations that can give time and resources to us. We still have vacancies for committee membership. A full committee enables more discussion and a diverse range of views to help make decisions

The State Government has made the filling of our board very difficult. We cannot function as committee members, unless we possess a Blue Card and also a Yellow card. The possession of these cards is a pre-requisite to being able to nominate for the board, or work/volunteer in the disability sector. Consequently, we are prevented from taking nominations from the floor of our Annual General Meeting to fill these vacancies.

Thank you for making time to be involved in electing your Management Committee

Michael Collins

President

Independent Advocacy in the Tropics Inc.

Tania Hornberg

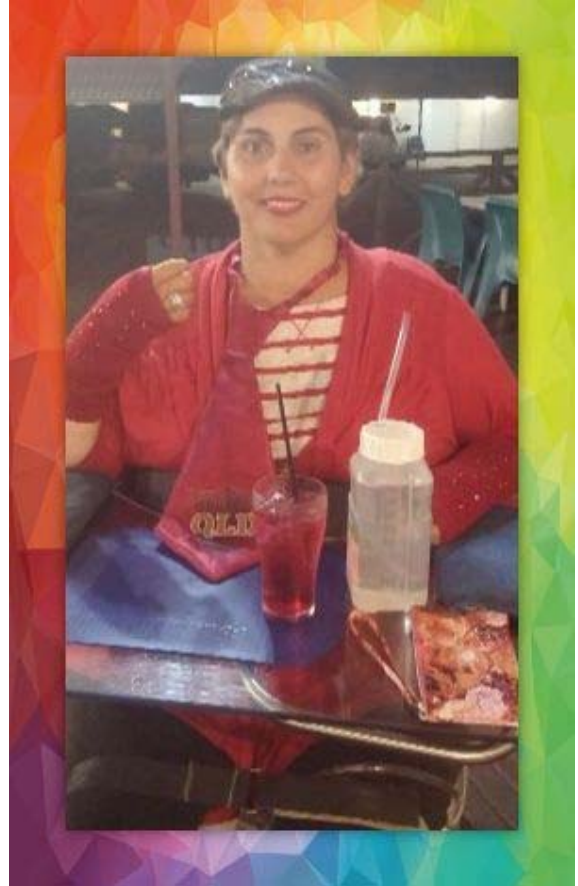
It was with great sadness that we heard the news of the passing of our friend and Vice-President Tania Hornberg.

For those that knew Tania, you will understand that the disability sector here in North Queensland and especially in Charters Towers has lost a wonderful vibrant and colourful person who was a passionate advocate for those like her who lived with disability.

Tania was twice a part of our Management Committee. Her final stint came when she returned to the north in 2015 and we quickly made her our Vice-President which is the position she held until resigning in May this year to go out with all guns blazing and enjoying her remaining time with friends and family.

Tania passed away all too quickly on 7 July 2020 but she leaves behind her the passion to continue to fight for the rights of people with disability to live their lives on their own terms.

Rest in Peace Tania



St. Ivo of Kermartin

Patron Saint of Honest Lawyers, Advocate of the Poor

*Justice and power must be brought together,
so that whatever is just may be powerful and
whatever is powerful may be just.*

Treasurer's Report

Thank you to all for attending the 2020 Annual General Meeting.

This year has been a challenging year for Independent Advocacy in the Tropics Inc. (IATI), with the onset of COVID-19 causing the organisations office closure from late March to mid-May.

Staff set up and moved to home offices during this period and client face to face meetings were cancelled in compliance with restrictions. All staff are to be congratulated on the way they have dealt with these past changes and the ongoing challenges that COVID-19 restrictions continue to present.

The organisations appointed Auditor for the previous financial year was Jessups Accountants and Business Advisors, they have completed the independent annual audit for the 2020 financial year. I would like to acknowledge Jessups Audit Team for the valuable contribution and assistance they provided to the Committee, Staff, and the organisation.

IATI received funding from both State and Federal Government for the 2019-2020 financial year. Funding for the 2020-2021 financial year listed below (graph on next page):

Department of Social Services (DSS)

- NDAP & SACS – Disability and Carer Support Program Funding, cease - 2022
- NDAP NDIS Appeals – Disability and Carer Support Program Funding, cease – 2022
- DRC – Disability Royal Commission Funding, cease 2022

Department of Communities, Disability Services and Seniors (DCDSS)

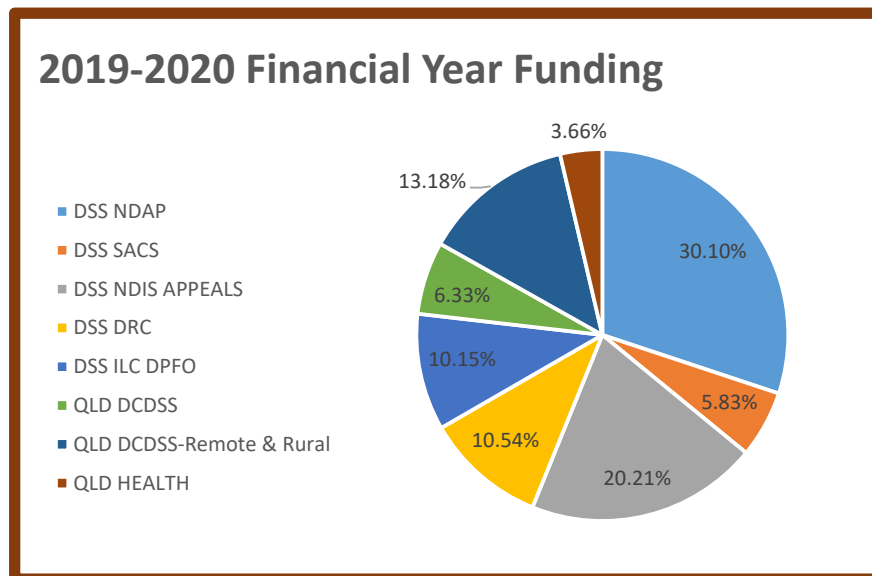
- Disability Advocacy Support Program Funding extended to 2021
- Disability Advocacy Services – COVID-19, cease 2021

Queensland Health

- Individual Advocacy Support Program extended to 2021

National Disability Insurance Agency

- Information, Linkages and Capacity Building (ILC) Readiness Round – Disabled Peoples and Families Organisations Funding, cease – 30 October 2020



In conclusion, please accept this Treasurer's report for 2020 financial year.

Ross Kingsun

Treasurer

Independent Advocacy in the Tropics Inc.

Chief Executive Officer's Report

2019-2020 has been a memorable year for all the wrong reasons. Floods, fires, drought and now COVID-19. While many have been doing it tough trying to survive natural disasters, along came a virus that has put everyone to the test. We wish to extend our gratitude and heartfelt thanks to all the first responders, doctors, nurses, support staff, services and service providers and everyone involved in trying to keep people safe.

We like many closed down the physical office for a period of time with staff all working from home but no face-to-face contact or travelling was allowed during this time. This time allowed us to clean out the office, put what we could into storage to allow us to have space and room to move once we re-opened the physical office in compliance with social distancing requirements. Staff now have the option of working from home, working from the office or a combination of both.

Due to restrictions inflicted upon us due to COVID-19, we found ourselves with the possibility of ending the year with a surplus. Each year we are required to expend all funds unless specifically allowed to carry over an excess. For a number of years, we have wanted to undertake large scale advertising but never quite had the funds to proceed. We took the opportunity to work with the advertising company Paradise Outdoor Advertising. They were brilliant in not only giving us a very good advertising package but their design teams both in and out of house were exceptional to work with. A local company supporting a local NFP organisation. In early September 2020, you will see our billboards (see image below) across the great Northern Queensland region for the next two years. We are also hoping that we are able to secure digital billboards at the Townsville Airport also for the same period of time. So watch out for them as you are travelling!

In closing I would like to sincerely thank our truly gifted and amazing advocates, Anne, Helen, Jessie, Joanna and Mac. Thank you also to Beverly Smith our Operations Manager and Leanne Ashcroft who joined us this year as an Administration Officer. We were also fortunate enough to be able to put on a Trainee, Tiara Spain who was with us for most of the year before returning to live in Mount Isa and we know Tiara will go on to bigger and better things.

As mentioned in our President's report, our organisation was rocked by the sudden death of Tania Hornberg who was an inspiration to us all. Tania was a tireless advocate of those with disability and lived her life to its fullest and went on her own terms, enjoying the company of her family and friends till the end.

Deborah Wilson
Chief Executive Officer



A month in the work of an Advocate

The names of clients have been altered to protect their privacy.

Sam's Story

Sam is trying to transition from Secure Mental Health Unit to community living. This has been a frustrating transition, and Sam is currently back in the SMHU and has been for approx. three weeks. With the Restrictive Practices legislation, Sam's property cannot have locked gates etc, to keep him inside his boundaries, and keep staff and others safe. Approximately three weeks ago, Sam had been escalating for several days, where staff were able to de-escalate him and keep him living in his home.

It was when Sam left his property and entered a neighbour's property screaming and yelling and banging on the front door that Qld Police arrived and took him back to the Secure unit where he has been since. The neighbour was a young single mother and she was terrified. At the same time, the service supporting Sam in the community suspended services, due to fatigue and the inability to work alongside Sam. This week, the service has reconnected with Sam and he has commenced hospital ground leave, with the intention of community access and a return to his home on the weekend.

There is increasing pressure from the Clinical Director of the Secure Unit to have Sam fully discharged as he maintains the unit is not an appropriate place for Sam with his Intellectual disability/Autism. This week's stakeholder meeting (held weekly) had new attendees – Dept Housing. The Housing representatives came with a long list of neighbour complaints, who have articulated their fear of Sam and do not want him returned to the home. We were able to advise of the measures being taken with Sam and the supports in place with new added services etc. Currently they will monitor the situation and attend meetings to update the stakeholders on the neighbour concerns.

Family have had to step back as they appear to trigger Sam, so there is very limited contact with family, which further upsets Sam and his aged mother. This is a difficult situation to be in, and it will take time to reconnect Sam to community living – he has been institutionalised for 5 years.

Clive's Story

Client is a long time MS sufferer living in Mackay and has been an IANQ client since November 2017. He has a comprehensive exercise regime to maintain his physical and neurological functionality that he performs at home. MS sufferers are known to suffer from thermoregulation issues (that is, an inability to regulate their own body temperature) and therefore suffer considerably in fluctuating temperatures. The client has ducted air conditioning in his home which is 17 years old and does not provide consistent cooling. Client has been fighting since 2016 for the NDIA to replace his air-conditioning and went through 2 internal reviews before ending up in the AAT. Legal Aid funding was granted and the NDIA was not willing to compromise but insisted on the matter going to hearing. A 3 day hearing was held in March this year.

The NDIA eventually accepted that thermoregulation was an issue for people with MS; however, it raised the following objections to funding ducted air conditioning, all of which were rejected by the AAT:

- That the effects on the client of fluctuations in temperature were not significant. The Tribunal noted that expert testimony was that the effects of fluctuations in ambient temperature varied from person to person and accepted the client's evidence
- That the most appropriate value for money option was to provide him with 2 new inverter units to be placed in his master bathroom and one other room of his choice.

- That funding efficient air conditioning at home would be detrimental to his social participation as he would stay home more. Effectively, the NDIA argued that it was their role to drive him out of the house and force him to socialise.
- That his need for updated ducted air conditioning was not related to his disability.
- That purchasing/replacing ducted air conditioning is an “everyday living cost” in North Queensland.

Karen’s Story

Another Client is being supported to make an application to QCAT to – ironically noting the above matter – to remove PTQ as her financial administrator.

Five years ago the client was in the middle of a marriage break up and there were issues with custody. The client’s former spouse ran up debts in the client’s name and he also incorrectly advised Child Support and Centerlink how much time the client was spending caring for their children. The client couldn’t provide Child Support and Centerlink with proof that she had the care of her children on various days in dispute. This caused Centerlink to allegedly overpay the client parenting payments and a debt was incurred. This debt was litigated through the Administrative Appeals Tribunal (AAT) and the client was ordered to reimburse Centerlink for the overpayment.

At this time the client succumbed to the stress that she was placed under, and she became mentally unwell and PTQ was appointed as her Financial Administrator. Since then, the Centerlink debt has been repaid, and the client has overcome her problems and she has become better and has interacted well with Mental Health Qld.

The client was supported to correlate the evidence needed to support an application to QCAT, applying for the revocation of the order appointing PTQ as her financial administrator.

Mike’s Story

Client had a wheelchair conversion completed on their new vehicle by an NDIS registered provider. The conversion was paid for by NDIS funding that was included in the Client’s NDIS plan. Client did not have any “choice and control” selecting the provider as they were advised by an NDIS planner to utilise this specific provider as they had the most competitive quote.

When vehicle was delivered to Townsville there were issues with a leaking fuel tank, the electronic restraints did not work correctly, and the workmanship of the conversion was substandard and possibly unsafe.

Advocate prepared and submitted complaint submissions to the Office of Fair Trading and the NDIS Quality and Safeguards Commission on behalf of client.

Chris’ Story

A father enquired on behalf of his son who has been supported by the same provider for 9 years has received two invoices for transport costs without notice or warning of the transport changes (Total of \$1400). He has attempted to resolve the matter with the service provider, who advised that letters were sent out however they were receiving multiple complaints from other consumers that they had not been received.

He has been advised that he needs to request a review of his NDIS plan if he would like transport included in his son’s plan, which is inconsistent with the services they receive from a second provider also providing supports. He has attempted to meet with the General Manager but has not received a response. The father does not want to pay the invoices and wanted information on how he could proceed. He is considering withdrawing services from this provider however this would have a devastating effect on his son who has strong rapport with his support workers.

Information was provided for the General Manager of the service provider to make contact directly and try and resolve concerns informally. Information was provided for the complaints process for the NDIS Quality and Safeguards Commission if he is not satisfied with the response from the

provider. He was also provided with information for community legal services to acquire legal advice around his obligation for payments in question. The father is aware if he has any questions or if there are ongoing issues, he can contact IANQ to arrange a referral.

Tony's Story

The advocate has been supporting a young man with a discrimination claim against JCU. The advocate connected the client to a legal support network, through which the services of a Barrister were enlisted pro-bono. At a pre QCAT conference meeting negotiations were entered into and have since continued between legal parties with the advocate providing advice and writing draft response correspondence for the family. At this point in time a "deed of agreement" for settlement has been agreed with monetary compensation to be paid to the client in the near future.

Joan's Story

JK was always going to be a challenging case, as the Advocacy involved needed to focus on JK and not her young age, nor the fact she lived with her parents, and her three siblings. JK was being financially abused and exploited and often times physically abused. She was 18 years old and was intellectually impaired. JK needed to go into emergency respite so Guardianship and Administration applications could be made and suitable short-term housing could be sourced. A change of circumstance NDIS application needed to be made so long term accommodation could be sourced through Supported Independent Living (SIL). Additionally, JK needed a new phone number, email account and facebook as her family were making threats towards her. This is not an easy transition for JK, who has been dependent on her family all her life and knows no other life, threats, assaults and the financial abuse. Slowly, as stakeholders, we are trying to assist her build a better life, where she feels safe and secure.

Ben's Story

Client is under at Treatment Order and residing in AMHU. He has been an inpatient on and off for most of the last 13 years. He is a "serial IANQ client" and was released late last year with assistance from another advocate; however, he was back in AMHU 3 days later. He does not consider that he has a mental illness but has a longstanding delusion that there is a conspiracy to keep him in AMHU because he previously had an affair with a person from the MIRT Team. He also believes that he is a vampire slayer, that THHS is full of ISIS terror cells and that the doctors are trying to kill him with medication because there is somebody who will pay \$20 million for his heart.

I assisted the client with his MHRT hearing by obtaining Legal Aid representation and his conditions were relaxed to allow overnight stays outside AMHU; however the client continues to believe that he should not be under and Forensic Order at all. I also assisted Michael with his QCAT matter when MIRT applied to have the Public Trustee appointed as his Administrator. However, when asked he insisted to the presiding member that he was only in AMHU because of a conspiracy by MIRT and that there is nothing wrong with him. QCAT subsequently made the order for the PT to look after his finances.

The client continues to want assistance to remove his Forensic Order completely.

Systemic Issues

Our organisation is required to spend 10% of its NDAP advocacy funding on systemic advocacy without any reduction in client numbers – just less money to use for individual advocacy for people who need it.

To cover our funding requirements in the most effective manner we can without unnecessarily taking away from our work as individual advocates, we wrote papers, submissions on a number of areas including the Royal Commission into Aged Care. We attended a number of Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (Disability Royal Commission) events including:

- the first Community Forum which was held here in Townsville;
- the Official Opening of the Disability Royal Commission held in Brisbane; and
- we gave evidence in the first Education Hearing of the Disability Royal Commission that was also held here in Townsville.

Service Demographics

SERVICE AREA

- | | |
|------------------------------------|----------------------------------|
| • Ayr Region | • Mackay ** |
| • Charters Towers | • Northern Highlands - Flinders, |
| • Cloncurry ^^ | Richmond & Mckinlay (S) |
| • Ingham Region (inc. Palm Island) | • Townsville *** |
| • Innisfail | • Tully |
| • Isaac ** | • Whitsunday ** |
| • Johnstone | • Winton ^^ |
| • Longreach ^^ | • Wooroonooran |

SERVICE FUNDING

Advocacy Service Region

The Advocacy Service Region for **Individual and Systemic Advocacy** services funded by Department of Communities, Disability Services and Seniors (DCDSS) and the Department of Social Services (DSS) are duplicated because the DCDSS area of North Queensland is extensive and funding is inadequate to cover it fully.

NDIS Appeals Advocacy Service Region**

Funded separately by DSS, its Service Region includes our Advocacy Service Region as well as the greater Mackay Region.

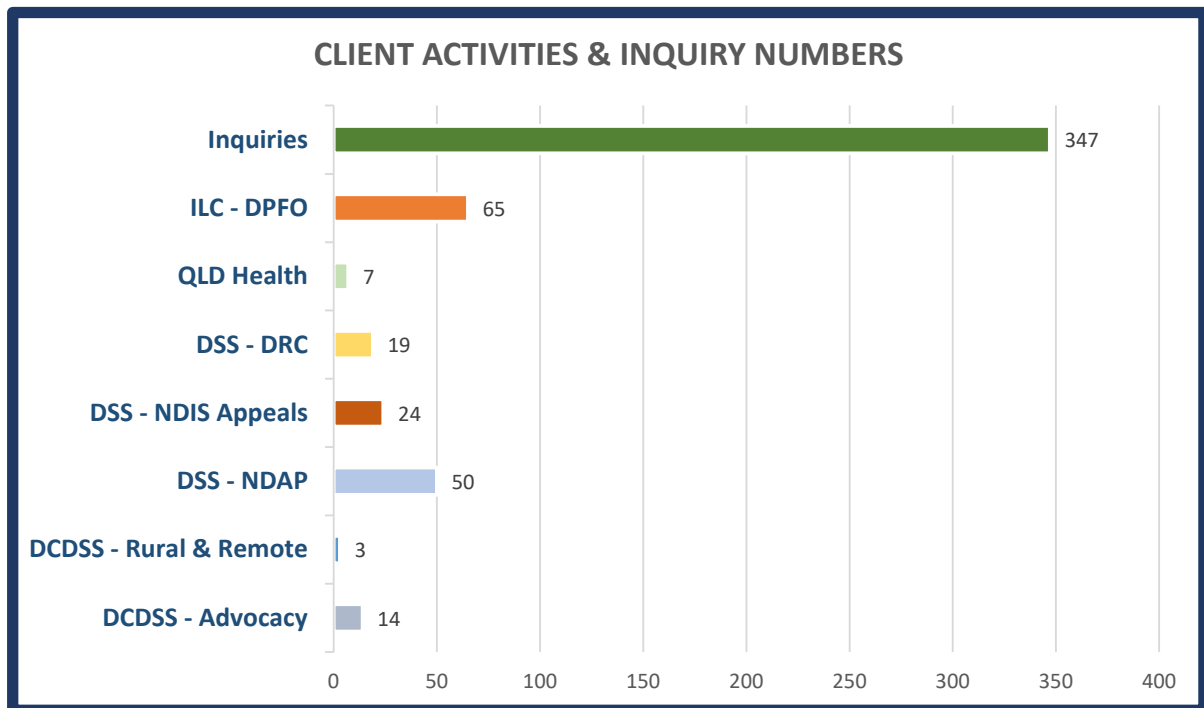
Rural and Remote Program Service Region^^

Funded separately by DCDSS for a 12 month period.

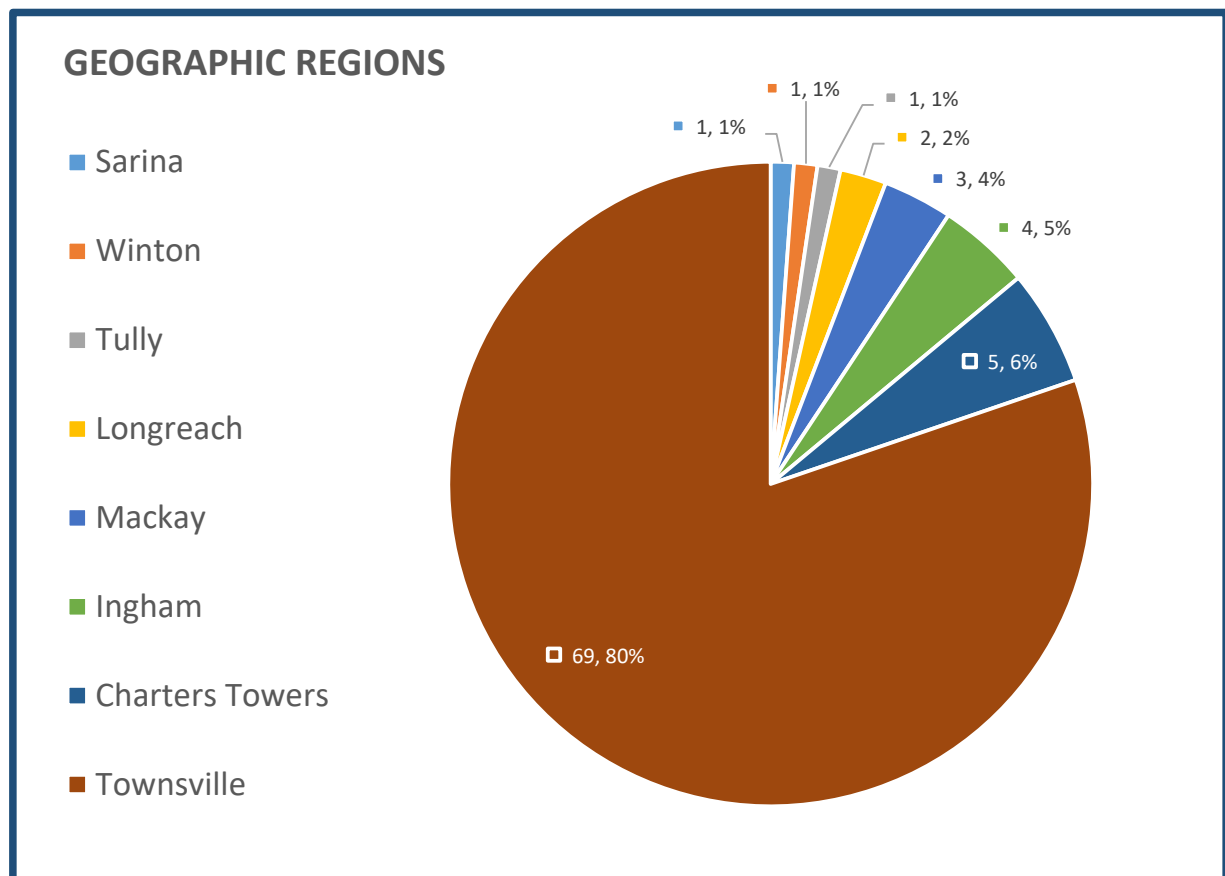
THHS MH Advocacy Service Region***

Queensland Health provided limited funding to provide Advocacy Services for patients within Mental Health and Rehabilitation Units within the Townsville Health and Hospital Services (THHS) District. Those patients with NDIS Appeals issues will be supported under NDIS Appeals Advocacy funding.

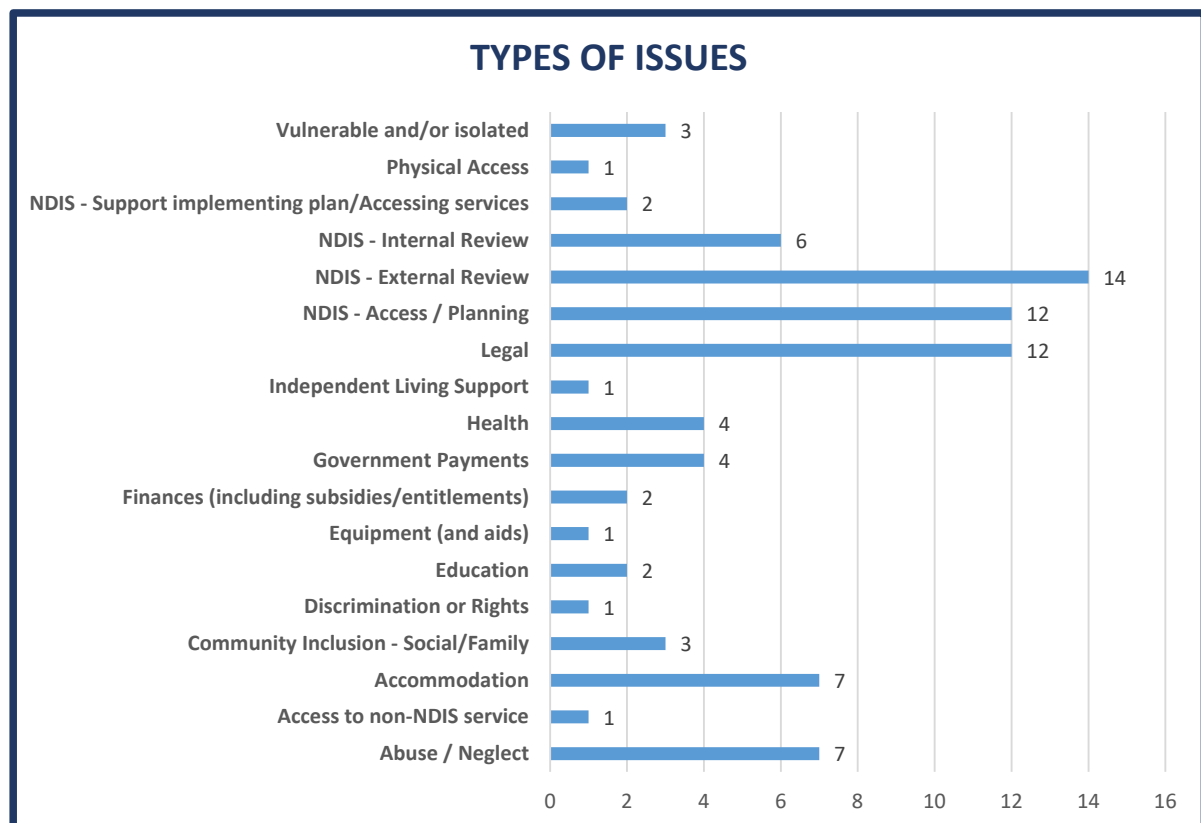
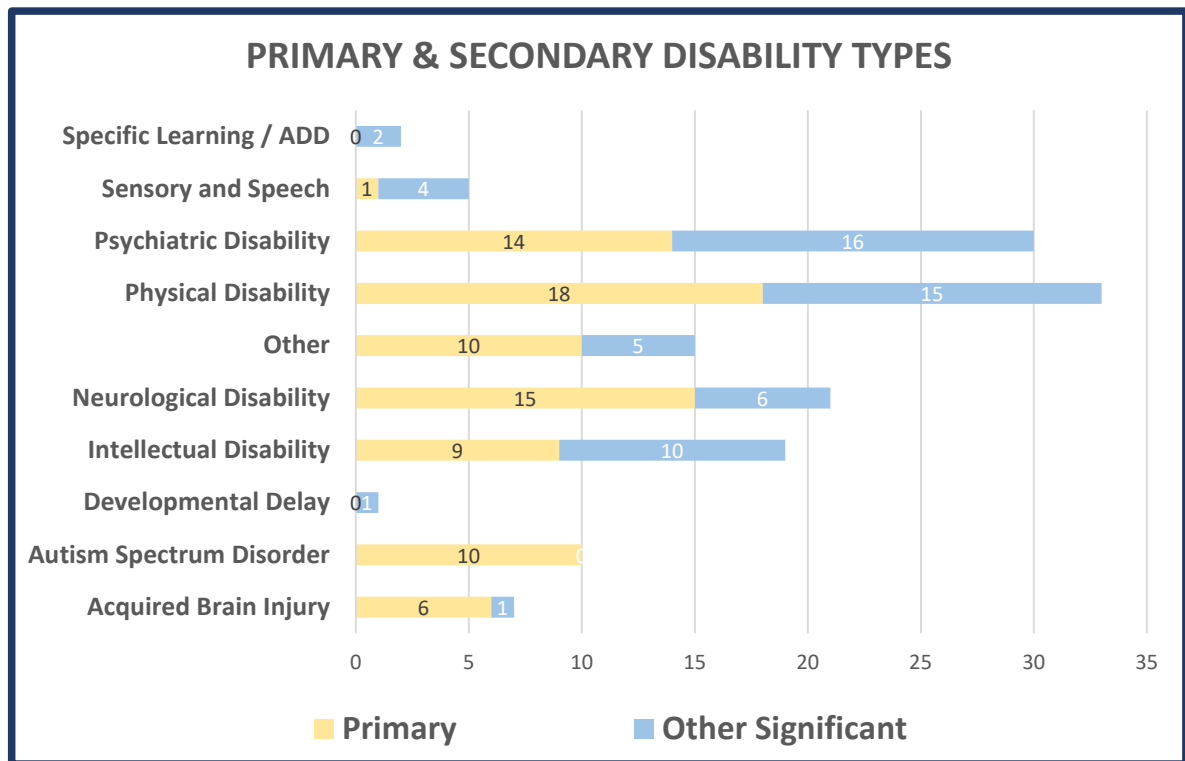
Client Demographics



Region Demographics



Disability Demographics



Appendix A: Audited Financial Report

Independent Advocacy in the Tropics Inc.

ABN: 13 573 741 460

Financial Statements

For the Year Ended 30 June 2020

Independent Advocacy in the Tropics Inc.

ABN: 13 573 741 460

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For the Year Ended 30 June 2020

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Independent Advocacy in the Tropics Inc.

ABN: 13 573 741 460

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Revenue	5	1,176,890	890,874
Employee benefits expense		(719,903)	(616,848)
Depreciation expense		(12,925)	(7,979)
Other expenses	6	(231,614)	(312,297)
Profit (Loss) before income tax		212,448	(46,250)
Income tax expense	3(b)	-	-
Profit (Loss) for the year		212,448	(46,250)

The accompanying notes form part of these financial statements.

Independent Advocacy in the Tropics Inc.

ABN: 13 573 741 460

Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	418,489	412,656
Trade and other receivables	8	53,612	322
Other assets	9	152,822	31,788
TOTAL CURRENT ASSETS		624,923	444,766
NON-CURRENT ASSETS			
Property, plant and equipment	11	38,826	32,869
Right-of-use assets	10	29,820	-
TOTAL NON-CURRENT ASSETS		68,646	32,869
TOTAL ASSETS		693,569	477,635
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	(206)	140,823
Short-term provisions	13	98,694	74,941
TOTAL CURRENT LIABILITIES		98,488	215,764
NON-CURRENT LIABILITIES			
Long-term provisions	13	28,731	25,115
TOTAL NON-CURRENT LIABILITIES		28,732	25,115
TOTAL LIABILITIES		127,220	240,879
NET ASSETS		566,349	236,756
EQUITY			
Capital Equipment Reserve		54,499	54,499
Retained earnings		511,850	182,257
TOTAL EQUITY		566,349	236,756

The accompanying notes form part of these financial statements.

Independent Advocacy in the Tropics Inc.

ABN: 13 573 741 460

Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Earnings	Capital Equipment Reserve	Total
	\$	\$	\$
Balance at 1 July 2019	182,257	54,499	236,756
Change in accounting policy to reflect the retrospective adjustments - adoption of AASB 15 and AASB 1058	117,145	-	117,145
Balance at 1 July 2019 restated	299,402	54,499	353,901
Profit attributable for the period	212,448	-	212,448
Balance at 30 June 2020	511,850	54,499	566,349

2019

Balance at 1 July 2018	228,507	54,499	283,006
Profit/(loss) attributable to the period	(46,250)	-	(46,250)
Balance at 30 June 2019	182,257	54,499	236,756

The accompanying notes form part of these financial statements.

Independent Advocacy in the Tropics Inc.

ABN: 13 573 741 460

Statement of Cash Flows For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		1,120,697	870,686
Payments to suppliers and employees		(1,067,890)	(771,653)
Interest received		2,903	3,610
Net cash provided by/(used in) operating activities		<u>55,710</u>	<u>102,643</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		<u>(20,057)</u>	<u>(20,383)</u>
Net cash provided by/(used in) investing activities		<u>(20,057)</u>	<u>(20,383)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities		<u>(29,820)</u>	-
Net cash provided by/(used in) financing activities		<u>(29,820)</u>	-
Net increase/(decrease) in cash and cash equivalents held		5,833	82,260
Cash and cash equivalents at beginning of year		<u>412,656</u>	<u>330,396</u>
Cash and cash equivalents at end of financial year	7	<u><u>418,489</u></u>	<u><u>412,656</u></u>

The accompanying notes form part of these financial statements.

Independent Advocacy in the Tropics Inc.

ABN: 13 573 741 460

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers Independent Advocacy in the Tropics Inc. as an individual entity. Independent Advocacy in the Tropics Inc. is a not-for-profit Association, registered and domiciled in Australia.

The principal activities of the Association for the year ended 30 June 2020 were to assist people with disability through independent advocacy.

The functional and presentation currency of Independent Advocacy in the Tropics Inc. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Association has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Association has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The key changes to the Association's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

Grants - operating

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 1058 and AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer.

Notes to the Financial Statements

For the Year Ended 30 June 2020

Grants - capital

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where the Association has received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by the Association and there is a refund liability if the terms and conditions of the grant are not met then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

Leases - Adoption of AASB 16

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

There has been no significant impact on these financial statements on adoption of AASB 16.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

Under AASB 117, the Association assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Association or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Association has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Association has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Association's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(a) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Grant income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Notes to the Financial Statements

For the Year Ended 30 June 2020

Capital grants

Capital grants received to enable the company to acquire or construct an item of property, plant and equipment to identified specifications which will be under the Company's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Company.

(b) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis for additions after 2016 over the assets useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

Notes to the Financial Statements

For the Year Ended 30 June 2020

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	10-33%
Motor Vehicles	18.8%
Computer Equipment	50-67%
Leasehold improvements	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2020

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

(g) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Notes to the Financial Statements

For the Year Ended 30 June 2020

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Leases

For comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

For current year

Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

(i) Right-of-use asset

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

(ii) Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2020

(j) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(k) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association or refer to Note 2 for details of the changes due to standards adopted.

4 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Independent Advocacy in the Tropics Inc.

ABN: 13 573 741 460

Notes to the Financial Statements For the Year Ended 30 June 2020

5 Revenue and Other Income

Revenue from continuing operations

	2020	2019
	\$	\$
DSS re-current operational	472,381	349,912
DSS re-current SACS support	67,796	58,852
DSS-NDIS Appeals	235,066	230,000
DSS-NDIS-ILC DPFO	-	118,000
QHealth	42,404	40,233
Other revenue	6,187	20,338
DCDSS	228,261	73,539
Subsidies	124,796	-
Total revenue	1,176,890	890,874

6 Result for the Year

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
Computer expenses	16,967	22,295
Motor vehicle expenses	23,251	24,638
Unexpended grants expenses	-	117,145
Other operating expenses	3,322	3,933
Subcontracting costs	3,764	-
Hire	1,161	-
Consulting and professional fees	23,065	8,164
Accounting fees	9,660	6,680
Advertising	10,838	1,764
Cleaning	6,477	5,633
Consumables	3,627	3,166
Electricity and water	3,441	5,264
Health and safety	4,488	447
Insurance	5,892	5,693
Permits, licenses, memberships and fees	3,399	1,016
Printing, postage and stationery	5,324	1,461
Repairs and maintenance	1,939	3,545
Student fee discount and waivers	15,205	998
Telephone and fax	15,315	10,578
Travel, accommodation and meals	23,023	6,627
Loss on disposal of assets	1,175	16,256
Rental Outgoings	50,280	66,995
Total expenses	231,614	312,298

Independent Advocacy in the Tropics Inc.

ABN: 13 573 741 460

Notes to the Financial Statements For the Year Ended 30 June 2020

7 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on hand	-	11
Bank balances	293,534	258,428
Short-term deposits	124,955	154,217
	<u>418,489</u>	<u>412,656</u>

8 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	53,612	322
Total current trade and other receivables	<u>53,612</u>	<u>322</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

9 Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	152,822	31,788
	<u>152,822</u>	<u>31,788</u>

10 Leases

Right-of-use assets

	Motor Vehicles	Total
	\$	\$
Year ended 30 June 2020		
Additions to right-of-use assets	29,820	29,820
Balance at end of year	<u>29,820</u>	<u>29,820</u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Property, plant and equipment

	2020 \$	2019 \$
Plant and equipment		
At cost	28,239	28,239
Accumulated depreciation	(18,776)	(15,202)
Total plant and equipment	9,463	13,037
Motor vehicles		
At cost	25,680	25,680
Accumulated depreciation	(23,069)	(22,467)
Total motor vehicles	2,611	3,213
Computer equipment		
At cost	35,448	28,285
Accumulated depreciation	(8,696)	(11,666)
Total computer equipment	26,752	16,619
Leasehold Improvements		
At cost	11,141	11,141
Accumulated amortisation	(11,141)	(11,141)
Total leasehold improvements	-	-
Total property, plant and equipment	38,826	32,869

12 Trade and Other Payables

	2020 \$	2019 \$
CURRENT		
Trade payables	3,600	996
PAYG payable	6,290	4,034
Superannuation payable	8,554	9,636
GST payable	(19,100)	8,668
Other payables	450	344
Unexpended grant	-	117,145
	(206)	140,823

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Independent Advocacy in the Tropics Inc.

ABN: 13 573 741 460

Notes to the Financial Statements For the Year Ended 30 June 2020

13 Provisions

	2020 \$	2019 \$
CURRENT		
Annual leave	<u>98,694</u>	<u>74,941</u>
	<u>98,694</u>	<u>74,941</u>
NON-CURRENT		
Long service leave	<u>28,731</u>	<u>25,115</u>
	<u>28,731</u>	<u>25,115</u>

14 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2020 (30 June 2019:None).

15 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

16 Statutory Information

The registered office and principal place of business of the association is:
2/179-181 Ross River Road
Mundingburra QLD 4812

Independent Advocacy in the Tropics Inc.

ABN: 13 573 741 460

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person


MICHAEL COLLINS

Responsible person



Dated

4/09/2020



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDEPENDENT ADVOCACY IN THE TROPICS INC
FOR THE YEAR ENDED 30 JUNE 2020

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Independent Advocacy in the Tropics Inc (the registered entity), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, the accompanying financial report of Independent Advocacy in the Tropic Inc is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



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Responsibilities of the Committee for the Financial Report

The committee members of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and is appropriate to meet the needs of the members. The committees' responsibility also includes such internal control as the committee members determine is necessary to enable the preparation of a 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 committee members are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee members 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 the 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 website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

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Paul Sapelli

Partner

Level 1, 211 Sturt Street, Townsville, QLD 4810

Dated: 4 September 2020

