



LifeTec Australia Limited

2018 ANNUAL REPORT



Contact details

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Acknowledgement of funding



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**SECTION 1****ABOUT LIFETEC AUSTRALIA LIMITED**

About LifeTec

LifeTec is a social enterprise that provides dedicated assistive technology (AT) services. Our aim is to enable people of all ages and abilities to actively engage in home, work, school and community life. Established in 1981, LifeTec has a team of health professionals including occupational therapists, speech pathologists and physiotherapists who have a passion for AT.

What is assistive technology?

Assistive technology is any product, device or system that provides people with practical solutions to everyday life activities. Assistive technology helps millions of people learn, work, socialise, achieve independence, or simply get more out of their lives.

You make the choices

With Consumer Directed Care (CDC) such as NDIS and My Aged Care now available, people will be able to choose where and how they want to invest their funding support. This includes funding for AT. This type of person-centred care is designed to encourage people to make their own choices about the support they need to live their potential. LifeTec shares the same goals.

Access Points makes accessing assistive technology easier

With LifeTec locations in Brisbane and Townsville and LifeTec Access Points in regional areas across Australia, it is now easier for consumers to access AT services. Can't make it to an Access Point? We can come to you or we can use tele-health.

LifeTec Services

With over 35 years' experience partnering with people to IMAGINE, SEEK, CHOOSE and LIVE the best AT solutions; you are able to rely on us as your trusted advisor.

**Our Services include**

- Assistive technology trial and assessments
- Home modification and design
- Augmentative and alternative communication (AAC) solutions
- Driving assessments and vehicle modifications
- Ergonomic / workplace assessments
- AT learning and development

LifeTec is a registered provider with NDIS, My Aged Care, DVA and Medicare and EPC.





OUR PEOPLE

Directors as at 30 June 2018:

Name	Position
David Edwards	Chairman
Greg Moroney	Deputy Chairman
James Reynolds	Treasurer
Renita Garard	Director
Richard Barber	Director
Elizabeth Hughes	Director
Jan - Maree McGregor	Director
Jason Cameron	Director
Angi Bissell	Director

Employees as at 30 June 2018:

Name	Position
Alicia Parry	Occupational Therapist
Barb McCulloch	Client Services Officer
Brooke Jorgensen	Occupational Therapist
Chris Beckett	Home Maintenance Officer
Chris Sweeney	Services Coordinator, Occupational Therapist
Desleigh De Jonge	Consumer Engagement & Research Coordinator
Emily Schull	Occupational Therapist
Eva Sykes	Occupational Therapist
Genine Camilli	Home Modifications Officer
Helen Bates-Wilson	Services Coordinator, Occupational Therapist
James Barrientos	Chief Executive Officer
Janice Beamish	Client Services Officer
Jayden Moore	Business and Marketing Officer
Jean Luik	Client Services Officer
Jennifer Poppe	Occupational Therapist
Jenny Velkovic	Finance & Administration Manager
Jessica Moll	Services Coordinator - AAC, Speech Pathologist



Karin Schuhmann	Executive Services Manager
Kate Daniel	Occupational Therapist
Kathryn Martin	Occupational Therapist
Kati Bulgarelli	Services Coordinator, Occupational Therapist
Katie-Anne Grice	Services Coordinator - Home Modifications, Occupational Therapist
Kelly Nolan	Client Services Officer
Leanne Rasmussen	Home Maintenance Officer
Lindsay Nott	Client Services Officer
Louise Charity	NDIS Officer
Matthew Goynes	Occupational Therapist
Michelle Swinburn	Speech Pathologist
Peta Booth	Speech Pathologist
Rebeka Bushell	Occupational Therapist
Rion Gomura	Occupational Therapist
Samuel Walker	Information Systems Officer
Scott Green	Consumer & Sector Engagement Manager
Sebastian Caon	Speech Pathologist
Siddhi Rawat	Occupational Therapist
Stephanie Baldwin	Occupational Therapist
Stephen Pether	Special Projects Officer
Susan Lovell	Physiotherapist
Talita Campbell	Speech Pathologist
Tony Baird	Business Development & Marketing Manager
Wol Thiik	Marketing Coordinator
Zoe du Cann	Learning and Development Coordinator





2018 Chairman / CEO Annual Report

The first half of 2018 saw LifeTec continue its careful preparation for consumer directed care reforms. Like many in the sector, LifeTec has invested heavily in its consumer value proposition including service redesign, strengthening our workforce, and increasing our geographical coverage. This transformation resulted in many changes to our services and systems which has been challenging for the organisation and its team. Importantly though, these changes have occurred on the clear undertaking they make a vital contribution to the quality of our successful services and outcomes.

The second half of 2018 saw sector conditions deteriorate for many stakeholders associated with consumer directed care reforms, especially in South East Queensland. The rollout of the NDIS continued to aspirations and organisational viability requirements. One example is the reduction of assistive technology display areas in the Brisbane and Townsville LifeTec centres to better reflect consumer preference to receive LifeTec services at their place of residence. A resultant benefit from this change in our model was the reduction in office overheads.

Throughout much of 2018 LifeTec continued its relentless change process to meet emerging stakeholder expectations. This included the consolidation of LifeTec's already successful consumer pathway - *Imagine Seek Choose Live*, establishing a more responsive and mobile service model, strengthening our health professional workforce and establishing a more robust financial management system.

Everyone at LifeTec recognises the importance of meeting, or indeed exceeding consumers' expectations by providing services they value and want. This is even more paramount in our current competitive market. It is essential LifeTec continues to provide quality services with great outcomes and that these are delivered in a personalised and convenient manner to consumers.

be slow, consumer and participant awareness of changes and processes remained low, and the transformation and adaptation required by providers, including LifeTec, was complex. The rollout of the NDIS was always expected to disrupt the sector, however few predicted the complexity and challenges faced by consumers, service providers and as well as the NDIA itself. Like many others in the sector, LifeTec was significantly affected by this tempestuous storm. A significantly lower NDIS participant rollout than forecast by the Bilateral Agreements resulted in the organisation posting a financial deficit for the year.

Out of adversity comes opportunity, and LifeTec seized the opportunity to refocus and redesign its operations to better meet consumer

Due to this, LifeTec established its Consumer and Sector Reference Committee to ensure we remain relevant and connected to consumer and sector wants. This is an important component of LifeTec's client centric work and we remain totally committed to these activities to ensure we continue to listen and respond to consumers and complementary sector partners.

Towards the end of 2018 there were some positive signs emerging from the sector. An important one was the acceleration of rollout of NDIS participants which increased market base numbers. This resulted in additional participants engaging LifeTec for their assistive technology plans which enabled management to streamline LifeTec's private service model, strengthen our financial systems and processes, and recalibrate our workforce capacity.

The additional stability in the sector also afforded LifeTec the opportunity to identify strategies and plan its journey beyond 2018. Some of the strategic priorities identified include consolidating LifeTec's operations over the next 12 months before continuing to grow and diversify LifeTec services.



Our consolidation plans consist of recalibrating the LifeTec service model to optimise value to consumers, ensure we have the right team of people with the right capability, increase our private service revenue, build financial reserves, improve internal automation through the implementation of a new CRM system, and reduce organisational costs.

The improvement in market stability also made it possible to progress some of LifeTec's growth plans for 2019. This includes scaling LifeTec's services to capture a bigger market, and also diversifying our offerings to create additional assistive technology related services. We plan to increase LifeTec's market reach by digitising our services and offering these on an e-commerce platform to reach a wider market. This will be done to complement our face to face services rather than replace them.

LifeTec's diversification goals include the possible extension of our suite of AT services into related areas including the therapy space. Another potential area of diversification is establishing arrangements with assistive technology suppliers to improve consumer and business outcomes. These are intended to increase the availability of trial equipment for clinical purposes and facilitate the procurement of equipment chosen by the consumer. This will be achieved by engaging LifeTec's *Imagine Seek Choose Live* pathway where the consumer will retain full control of the clinical process

and their procurement choices. As a result, we expect consumers will benefit from having easier access to equipment for trialling, choosing and purchasing.

Our sincere thanks go to many people for their valuable contribution throughout the year. Thank you to the LifeTec Board for their leadership, commitment and support. They have exercised careful governance and diligence to meet the challenging environment that faced us this year.

We particularly would like to mention the efforts of our Deputy Chairman Greg Moroney and Richard Barber, our Chair of the Finance, Audit and Risk Committee. Our thanks also to the Executive Management Team, which saw Ian, Karin and James demonstrate courage and sound judgement to meet challenges we faced head on.

Our special thanks to all the LifeTec staff whose dedication and skill in improving peoples' lives is nothing short of admirable. Finally, we are very grateful for the continued grant funding from our Government partners. Thank you to the Department of Communities, Disability Services and Seniors, and the Department of Social Services for their support of LifeTec.

We are pleased to see recovery signs emerging from the sector and remain excited how this will translate into better outcomes for consumers.



David Edwards
Chairman
LifeTec Australia



James Barrientos
Chief Executive Officer
LifeTec Australia



SECTION 3

OUR FINANCES

FINANCIAL STATEMENTS

LifeTec Australia Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

		2018	2017
	Note	\$	\$
Income			
Recurring Funding		4,477,698	4,618,077
LifeTec Generated Funds		<u>1,153,058</u>	<u>1,148,927</u>
Total Income	1.a	<u>5,630,756</u>	<u>5,767,004</u>
Expenses			
Administration & Marketing		542,408	422,404
Depreciation & Minor Capital	1.b	145,709	155,363
Overheads & Program Services		996,895	929,886
Program Services		671,222	1,210,236
Staffing Costs		<u>3,631,314</u>	<u>3,022,332</u>
Total Expenses		<u>5,987,548</u>	<u>5,740,222</u>
(Deficit)/Surplus for the year		<u>(356,792)</u>	<u>26,782</u>



LifeTec Australia Limited
Statement of Financial Position
As at 30 June 2018

	Note	2018 \$	2017 \$
Assets			
Current Assets			
Cash, deposits and floats		369,956	408,062
Accounts receivable	1.c & 2	55,665	60,193
Other debtors and prepayments		5,253	166,756
Total Current Assets		430,874	635,011
Non-Current Assets			
Property, plant and equipment	3	1,561,486	1,340,587
Total Non-Current Assets		1,992,360	1,975,598
Liabilities			
Current Liabilities			
Accounts payable	1.c	208,749	84,506
Employee and payroll liabilities	1.d	160,398	69,995
GST		122,343	132,403
Grants unexpended	4	227,655	50,940
Provision for annual leave	1.d	228,902	173,054
Total Current Liabilities		948,047	510,898
Non-Current Liabilities			
Provision for long service leave	1.d	167,981	131,576
Total Liabilities		1,116,028	642,474
Net Assets		876,332	1,333,124
Equity			
Balance as at 1 July		1,233,124	1,206,342
Net income/(loss)		(356,792)	26,782
		876,332	1,233,124
Surplus retained	6	-	100,000
Balance as at 30 June		876,332	1,333,124



LifeTec Australia Limited
Statement of Changes in Equity
For the year ended 30 June 2018

	\$
Balance 1 July 2016	1,513,342
Surplus for the year	26,782
Surplus Transfer to LifeTec Projects	<u>(207,000)</u>
Balance 30 June 2017	1,333,124
Deficit for the year	(356,792)
Surplus Transfer to LifeTec Projects	(100,000)
Balance 30 June 2018	<u>876,332</u>



LifeTec Australia Limited
Statement of Cash Flows
For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts - Recurrent Funding		4,911,886	4,568,608
Other Income		1,261,748	1,173,568
Payments to suppliers, employees and others		(5,855,917)	(5,580,022)
		<u>317,717</u>	<u>162,154</u>
Interest received		8,122	10,425
Interest paid		<u>(483)</u>	<u>-</u>
Net cash inflow from operating activities	9	<u>325,356</u>	<u>172,579</u>
Cash flows from investing activities			
Payments for purchase of property and equipment		<u>(363,461)</u>	<u>(222,903)</u>
Net cash outflow from investing activities		<u>(363,461)</u>	<u>(222,903)</u>
Net decrease in cash held		(38,106)	(50,324)
Cash at the beginning of the financial year		408,062	458,386
Cash at the end of the financial year		<u>369,956</u>	<u>408,062</u>



LifeTec Australia Limited
Notes to the Financial Statements
For the year ended 30 June 2018

1. Statement of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

(a) Revenue and Other Income

Non reciprocal grant revenue is recognised in profit or loss when the company obtains control of the Grant and it is probable that the economic benefits gained from the Grant will flow to the company and the amount of the Grant can be measured reliably.

If conditions are attached to the Grant which must be satisfied before the company is eligible to receive the contribution, the recognition of the Grant as revenue will be deferred until those conditions are satisfied.

Interest revenue is recognised as received.

Donations and bequests are recognised as revenue when received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax.

(b) Property, Plant and Equipment

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying of amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.



LifeTec Australia Limited
Notes to the Financial Statements
For the year ended 30 June 2018

(b) **Property, Plant and Equipment** *(continued)*

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Depreciation

All non-current assets are depreciated over the useful lives of the assets to the company commencing from the time the asset is held ready for use.

The assets' residual values and lives are reviewed and adjusted if appropriate at each balance date.

(c) **Receivables and Payables**

The company recognises all receivables and payables with an invoice date on or before 30 June, at their GST inclusive value.

(d) **Employee Entitlements**

Provision is made in respect of the company's liability for Long Service Leave and Annual Leave at balance date.

No provision is made for unpaid wages or sick leave accrued at balance date.

The provision for long service leave has been made for all employees after 7 years of service.

The long service leave and annual leave provisions are based on salary including salary sacrifice components, but not including superannuation.

(e) **Income Tax**

The company is exempt from income tax under Subdivision 50-B of the Income Tax Assessment Act.

(f) **Impairment of Assets**

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

(g) **Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(h) **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.



LifeTec Australia Limited
Notes to the Financial Statements
For the year ended 30 June 2018

(h) **Critical Accounting Estimates and Judgements** *(continued)*
Key Estimates

Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

(i) **Economic Dependence**

LifeTec Australia Limited is dependent on the State and Federal Governments for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe this funding will not continue.

(j) **New Australian Accounting Standards**

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standards. A summary of applicable standards is outlined below:-

Standard		Applicable Date	
AASB 16 Leases		01.01.2019	
Full impact not yet assessed			
AASB 1058 Income of Not for Profit Entities		01.01.2019	
Full impact not yet assessed			
		2018	2017
		\$	\$
2.	Accounts Receivable		
	Trade receivables	76,493	60,193
	Provision for doubtful debts	(20,828)	-
		<u>55,665</u>	<u>60,193</u>
3.	Plant and Equipment and Vehicles		
	Equipment at cost	2,128,214	1,764,753
	Less: Accumulated Depreciation	566,728	424,166
		<u>1,561,486</u>	<u>1,340,587</u>

Equipment is depreciated on a Diminishing Value Basis at rates of 10-15% per annum.

4. **External Grants and Projects Funds**

Unexpected Funds

Unexpected Funds at 30 June relate to the programs which are still operating at year end and where the company will either incur further expenses to complete the program or alternatively will refund the unexpended funds to the respective government departments.



LifeTec Australia Limited
Notes to the Financial Statements
For the year ended 30 June 2018

5. Lease Commitments

The company is paying on a month to month basis. A guarantee on the lease is secured by a Bank Term Deposit.

Lease commitments of the company are as follows:-

Property

Payable within 1 year	152,640
Payable after 1 year	152,640

Equipment and Vehicles

Payable within 1 year	55,272
Payable after 1 year	-

The company is also committed to a 10 year commercial lease on its premises in Townsville and is in its eighth year of such lease. A guarantee on the lease is secured by a Bank Term Deposit.

Lease commitments of the company are as follows:-

Property

Payable within 1 year	208,653
Payable after 1 year	196,380

Equipment and Vehicles

Payable within 1 year	55,272
Payable after 1 year	-

Lease payments have been charged as expenses in the periods in which they have been incurred.

6. Surplus Funds Retained

Surplus funds separately retained in equity at 30 June 2018 including allocations from previous years total \$Nil (2017 - \$100,000).

These funds are to cover the following:

- * Future projects and growth of LifeTec business.
- * Contingency in case of loss of recurrent funding.

7. Contingent Liabilities

There are no contingent liabilities at 30 June 2018 (2017 - Nil).

8. Events After Balance Sheet Date

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



LifeTec Australia Limited
Notes to the Financial Statements
For the year ended 30 June 2018

	2018	2017
	\$	\$
9. Reconciliation of Excess of Expenditure over Income to Net Cash Inflow from Operating Activities		
Excess of expenditure over income	(356,792)	26,782
Depreciation and amortisation	142,562	138,176
Transfer - Project Funds	(100,000)	(207,000)
Change in operating assets and liabilities:		
Decrease/(increase) in receivables	166,032	99,259
Increase/(decrease) in payables	124,243	(52,219)
Increase/(decrease) in other operating liabilities	257,059	173,931
Increase/(decrease) in other provisions	92,252	(6,350)
Net cash inflow from operating activities	325,356	172,579

10. Company Details

The registered office of the company is:

LifeTec Australia Limited
Level 1, Reading Centre
Cnr Newmarket & Enoggera Roads
Newmarket QLD 4051

11. Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by Guarantee. If the company is wound up the constitution states that each member is required to contribute a maximum of \$5 towards the outstanding obligation of the entity.



LIFETEC AUSTRALIA LIMITED
DIRECTORS' DECLARATION

The directors of the registered entity declare that, in the directors' opinion:

- 1 The financial statements and notes, as set out on pages 1 to 9, comply with Australian Accounting Standards and give a true and fair view of the financial position of Lifetec Australia Limited as at 30 June 2018 and of its performance for the year ended on that date.
- 2 This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.
- 3 There are reasonable grounds to believe that Lifetec Australia Limited is able to pay all of its debts, as and when they become due and payable.

Director

Dated:

10/12/18



LIFETEC AUSTRALIA LIMITED

AUDITOR'S INDEPENDENCE DECLARATION

**UNDER SECTION 60-40(1)(a) OF THE AUSTRALIAN CHARITIES AND
NOT-FOR-PROFIT COMMISSION REGULATION 2013
TO THE DIRECTORS OF LIFETEC AUSTRALIA LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of any applicable code of professional conduct in relation to the audit.


Norman J Hoare
Registered Company Auditor

MORRIS & BATZLOFF
141 Logan Road, Woolloongabba

Dated: 11/12/18



LIFETEC AUSTRALIA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIFETEC AUSTRALIA LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lifetec Australia Limited, which comprises the balance sheet as at 30 June 2018, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Lifetec Australia Limited is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the company'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 to the extent described in Note 1, and Division 60 the Australian Charities and Not-for-profit Commission Regulations 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 company in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 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 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 company, 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 - 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 directors' financial reporting responsibilities under the Australian Charities and Not-for-profit Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**LIFETEC AUSTRALIA LIMITED****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIFETEC AUSTRALIA LIMITED*****Responsibilities of the Directors for the Financial Report***

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors 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 directors are responsible for assessing the company'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 company 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



LIFETEC AUSTRALIA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIFETEC AUSTRALIA LIMITED

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Norman J Hoare
Registered Company Auditor

MORRIS & BATZLOFF
Chartered Accountants
141 Logan Road, Woolloongabba

Dated: 11/12/18



Services Update

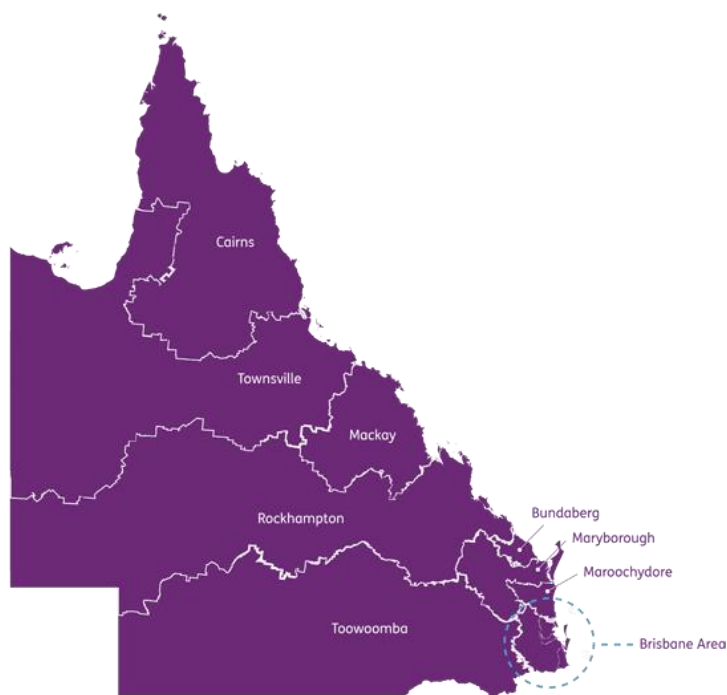
NDIS

The National Disability Insurance Scheme (NDIS) rolled out in various regions during the 2017/2018 financial year. The Townsville, Hinchinbrook, Burdekin, west to Mt Isa and up to the Gulf was already well established following its rollout in July and October 2016 which was quickly followed by the Mackay, Mount Isa and Whitsunday's region in November 2016. The following regions soon followed:

Toowoomba and west to the borders	1 January 2017
Ipswich, Lockyer, Scenic Rim & Somerset	1 July 2017
Ballina, Northern NSW region	1 July 2017
Bundaberg	1 September 2017
Rockhampton, Gladstone and west to the borders	1 November 2017

Access Points were quickly established to service regions from Northern New South Wales to North Queensland and west to the Northern Territory border within the regions where the NDIS had rolled out. Ballina, Toowoomba and Rockhampton were established with physical premises for therapists to utilise for appointments, while other regions were drive by or fly in/fly out. Access points were visited on a monthly basis servicing consumer in prescription of Assistive Technology, Complex Home Modifications and Augmentative and Alternative Communication.

LifeTec serviced consumers with NDIS funding in the 2017-2018 financial year across seven access points as well as from both the Brisbane and Townsville offices. There were 462 services provided across these access points, 71 were repeat consumers looking for additional services and 43 were accessing more than one of our services. NDIS is set to continue its rollout moving into many areas we service, including Brisbane from July 2018.



Commonwealth Home Support Package Funding (CHSP)

In the Townsville region (which includes Ayr, Ingham, Charters Towers and Bowen), LifeTec holds the CHSP funding for the over 65 program and is delivered from our Townsville office. During this time, there were a total of 19 home modifications completed. Of these nineteen, seven were major bathroom modifications, nine were external stairlifts, one water lift and two other modifications (kitchen and a ramp). From this program there were a number of occupational therapy assessments completed not reflected in this figure as modifications were declined to proceed by the consumer.

Disability Support Services Funding

This funding is held by LifeTec and is delivered from our Townsville office. There were 498 eligible consumers who received minor modifications (i.e. grab rails, minor ramps etc.) within the Townsville city local government region. This funding also provides a maintenance service, servicing consumers who require things like having their locks changed and smoke alarm batteries replaced. During the 2017/2018 financial year, 1015 eligible consumers received this service.

Community Care Funding

LifeTec also received Community Care Funding for eligible consumers under the age of 65 for both minor and major modifications. The total number of consumers who received this service were 44.

With the transition to the NDIS, funding had reduced for this scheme and therefore reduced the number of consumers who received funding.

LifeTec were continuing services from our Brisbane office for funding under these two schemes CAEATI (Community Aids Equipment and Assistive Technology Initiative) and VOSS (Vehicle Options Subsidy Scheme) prior to NDIS funding rolling out in the Brisbane region on 1 July 2018. Approximately 70 services were completed for both of these forms of funding.

SCIR Funding

Spinal Cord Injury Response Funding was another area of service provided by LifeTec in the 2017/2018 financial year. Home modifications were completed for up to 15 participants of this scheme across the greater Brisbane region.

Private Other Work

There were another 277 services delivered during the 2017/2018 financial year which were serviced from our Brisbane office. Some of this work included My Aged Care space in addition to the Short-Term Restorative Care Program, Medicolegal Domain, Department of Veterans Affairs, National Injury Insurance Scheme and Medical Aids Subsidy Scheme.



Consumer and Sector Engagement

Consumer Consultation

The LifeTec Consumer Consultation Final Report was completed in July 2017. The report is the culmination of information derived from 7 consultations held throughout Queensland from June 2016 to July 2017 in Brisbane, Hervey Bay, Gold Coast, Ipswich, Toowoomba, Rockhampton and Townsville. 70 consumers & carers & some service providers attended the consultations.

The consultations confirmed that the IMAGINE SEEK CHOOSE LIVE® pathway acknowledges the consumer experience and provides a useful framework for engaging with them. Consumers felt it clarified their experience of the complexity of the AT journey and provided a useful structure. LifeTec is committed to working with consumers to implement the IMAGINE SEEK CHOOSE LIVE® pathway when finding successful AT solutions. The consultations also revealed that consumers require significant support to articulate their AT needs, struggle to advocate for AT solutions, feel hampered if they don't understand the technology and don't know where to find appropriate information, and are uncertain about the NDIS AT pathway and require assistance to navigate it.

In response to the concerns raised throughout the consultations, LifeTec has collaborated with consumers to co-design and further develop the AT Consumer Pathway-IMAGINE SEEK CHOOSE LIVE® (ISCL®) which describes in 4 steps the process for achieving a good AT solution and hands the control of the AT journey back to the consumer. LifeTec continues to fine tune the (ISCL®) pathway and feedback from AT users working with LifeTec shows they find the pathway easy to understand and helpful in developing their capacity to lead their AT journey.

The consumer consultations provided a significant amount of information that LifeTec can utilise to improve service delivery and engagement with consumers. LifeTec has further enhanced engagement with consumers with the establishment of the LifeTec Consumer Reference Group including the development of the Consumer Reference Group Manual. The manual will be used to guide the development of the Consumer Reference Group in 2018/19.

Research

In 2017/2018 LifeTec undertook research projects in conjunction with numerous partners.

In partnership with the Australian Catholic University, LifeTec supported a research project undertaken that focused on front line customer service staff and an exploration of their roles and supports they provide to consumers. The project utilised a thorough literature review, qualitative data (from interviews and focus groups) and quantitative (client service data) and focused on three main questions:

- What is the current role of frontline customer service staff at an Australian assistive technology service?
- What are the current supports received to fulfil their role?
- What is the future frontline customer service role, training and support needs anticipated?

The findings of the project indicate that the role of frontline customer service staff is an integral part of AT service provision. The role is continually changing in response to changes in the diverse AT market and changes to AT funding systems.

The study also highlighted a gap in evidence regarding the role of frontline customer service staff.



The report will be able to be used by LifeTec and other organisations to enable staff to be better equipped to support clients on their AT journey.

SECTION 6

AT AND A MEANINGFUL LIFE

AT and a Meaningful Life

In the first half of 2018, LifeTec rolled out a series of events named AT and a Meaningful Life. The goal of the events was to enable consumers, health professionals and service providers to be better informed about LifeTec, its services and also how LifeTec uses a research informed pathway to ensure participants and other consumers of our services are supported to make the right choices when it comes to Assistive Technology. The events were run in many locations throughout Queensland and Northern New South Wales and feedback has been highly positive. This overview aims to unpack and explain the results of the events.

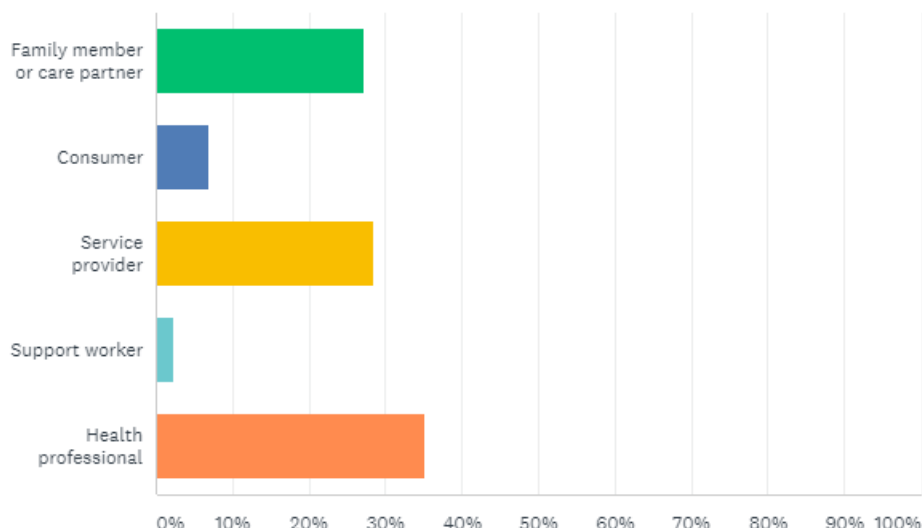
Locations

Mount Isa	Ballina	Cairns	Gold Coast	Charters Towers
South Brisbane	Brisbane North	Gladstone	Emerald	Toowoomba
Rockhampton	Wondai	Bundaberg	Mackay	

There were 15 AT and a Meaningful Life events run, with 220 people in total attending. Of the 220 who attended, 132 responded to a survey where we asked a series of questions.

Who attended AT and a Meaningful Life?

Health professionals made up just over 35% of attendees at our AT and a Meaningful Life events. Service providers made up 28% of attendees followed by family members or care partners, which accounted 27% of attendees. Consumers made up 6% of our overall audience and support workers made up the remaining 2% of our audience.



Have those who attended used LifeTec's services before?

The most common response when the audience was asked if they had previously used LifeTec's services was no with 47% of our total audience having not used LifeTec's services in the past. 38% of our audience had previously engaged LifeTec's services, with 7.75% unsure if they had, and 6% selecting the 'other' option. This shows us that there is an opportunity here to get some of our audience who attended the events to engage in LifeTec's services. Of those who attended the event, but selected the other option, some of the responses were:

"working with/professional discussions with LifeTec for shared clients"

"I completed a student placement at LifeTec last year"

"For a university project in 2017"

How did those who attended the event feel about the event?

Feedback from those who attended our AT and a Meaningful Life events was overwhelmingly positive, with 88.62% of people agreeing or strongly agreeing to the statement *"The event met my expectations"*. 97.59% of people agreed or strongly agreed to the statement *"The content was well structured and easy to understand"*. While 88% agreed or strongly agreed that *"The resources provided will be useful to me or my organisation"*. From these results, it can be argued that the highly positive nature of the feedback shows the success of the events. Attendees at the events were also highly impressed with the presenters, with 99% of attendees agreeing or strongly agreeing to the statement *"The presenters responded to questions in an informative, appropriate and professional manner"*.

Interesting areas of the presentation?

Attendees gave their feedback as to what they thought were the most interesting parts of the presentation. These are some of the responses:

"Imagine, Seek, Choose, Live pathway"

"Understanding LifeTec's services and how we can consider this when collaboratively supporting clients"

"All of it, will be using services"

"Referral process and meeting therapists available in Rocky"

"Case studies and videos of LifeTec consumers"

The audience was asked to describe some of their biggest challenges when it comes to AT

The responses included:

"Trialling equipment – lack of AT available to trial in rural/remote areas"



“Applying these solutions to a school setting. Staff training for students with plans”
“Working in school and supporting school staff to teach/communicate with students accessing private/external support, particularly AAC”
“Hearing”

Overall, the response to the AT and a Meaningful Life events was highly positive. Feedback indicated that people are now more informed about LifeTec’s service offerings, and ultimately our point of difference, which is our Imagine, Seek, Choose, Live pathway. Feedback from those who attended suggested that they will use our services to ensure they are selecting the right AT for their consumers or themselves. Moving forward, there is an opportunity for LifeTec to engage stakeholders who attended our events for services, or other learning and development opportunities. LifeTec should consider some of the responses given for what people would like to see education and training on and consider rolling out some of these workshops digitally, or face to face in the future.



SECTION 7

NATASHA'S STORY – MAKING LIFE GOALS POSSIBLE

Connecting people to the lives they want to lead; that's what the LifeTec team do best.



Natasha with Jessica Moll, LifeTec Speech Pathologist

After noticing changes in her body and speech clarity, Townsville local Natasha was in her 20's when she was diagnosed with an extremely rare and progressive condition that affects the brain, spinal cord and nervous system, known as Leukodystrophy.

Not about to let her condition impact her independence, Natasha sought the professional help of a speech pathologist and was consequently referred to LifeTec to participate in their Imagine Seek Choose Live pathway to determine the best solutions for her specific needs.

Townsville Services Co-ordinator Helen Bates-Wilson said the local LifeTec team has been with Natasha every step of the way on her journey to finding the right assistive technology (AT) to give her the level of independence she desires.

"Natasha worked with our speech pathologist Jessica to learn more about possible communication technology options, as well as helping her to seek NDIS funding for the equipment she needed," Helen explained.

"Our occupational therapist Katie, has also worked closely with Natasha, her family, and a building consultant to find bathroom modification solutions to allow her to maintain safety and independence in her own home. Once the home modifications are completed, we'll review the new setup to make sure it's working effectively for Natasha's needs now and well into the future."

As a social enterprise, LifeTec's purpose is to connect people and communities through assistive technology to enable their aspirations. "We form a partnership with consumers and co-design solutions to give them complete control and autonomy. We believe everyone has the right to live a meaningful active and independent life with respect and dignity."



SECTION 8

MARKETING

Marketing

The National Disability Insurance Scheme (NDIS) assistive technology (AT) market is forecasted to reach \$1 billion by full scheme in 2020. About 3% of funds expended in the financial year 2016–17 were for AT. And as more participants enter the NDIS, the demand for AT will increase.

This puts LifeTec in strategic position to offer the best assistive technology solutions based on the goals and aspirations of the individuals. With consumer directed care, participants can now buy a wide range of AT products and services with their NDIS budget, giving them choice and purchasing power. This change in market dynamics is expected to drive improvements in AT service quality, innovation and the need for personalised marketing.

We've been on our own journey of late, using technology to get closer to consumers than ever before, and seeing marketing functions really converge. This year the business and marketing team focused on setting up the foundations to build a solid inbound digital strategy. Thanks to the Queensland Community Foundation, LifeTec was a successful recipient of funding towards a mobile optimised website.

Our website will be a platform to educate the public about assistive technology helping people to imagine the possibilities and realise their true potential. In an era of heightened consumer expectations and media fragmentation, the only way marketing and advertising can reach and engage the audiences of today is to create intelligent, personalised marketing journeys. Thankfully, advances in technology are making this possible.

Social Media and Digital Strategy

This financial year, we've focused heavily on improving our social media presence, in particular Facebook and LinkedIn, where we have connected with many people. We have developed a strategy that aims to tell the stories of our consumers, keep people informed about the newest innovations in assistive technology and spread the word about the work that we do here at LifeTec. We have seen positive growth as a result of this strategy, and we aim to keep providing content of value moving forward.

We have implemented digital strategies this financial year that set us up to reach more people, increase awareness about the importance of putting the consumer first when it comes to assistive technology prescription and also increase business in the regional areas that we support. So far we have found success with this strategy and we are finding it is really adding value to the lives of people who use our services.



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