



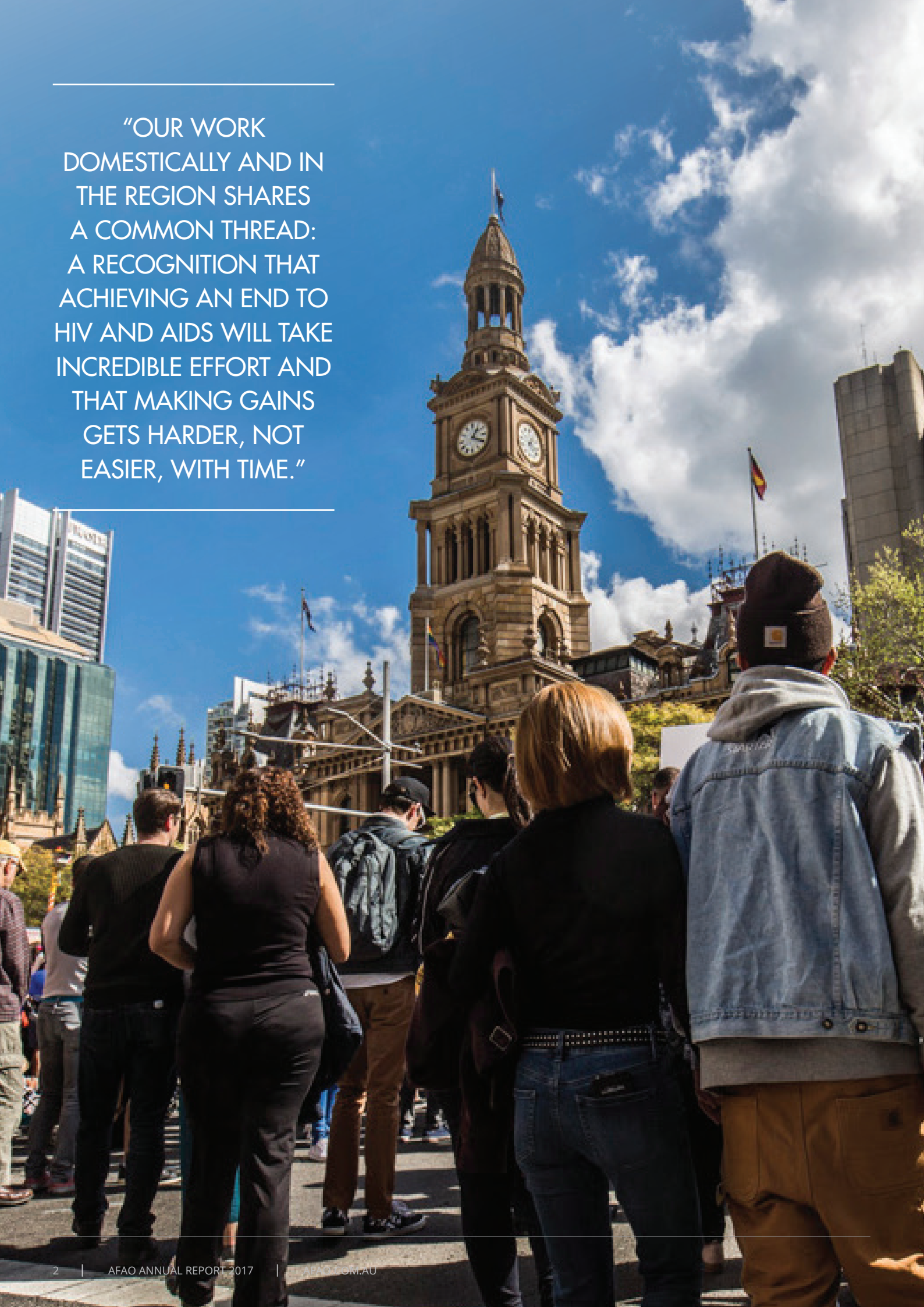
AUSTRALIAN FEDERATION  
OF AIDS ORGANISATIONS

**Annual Report 2017**

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“OUR WORK  
DOMESTICALLY AND IN  
THE REGION SHARES  
A COMMON THREAD:  
A RECOGNITION THAT  
ACHIEVING AN END TO  
HIV AND AIDS WILL TAKE  
INCREDIBLE EFFORT AND  
THAT MAKING GAINS  
GETS HARDER, NOT  
EASIER, WITH TIME.”


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"PUT SIMPLY, WE GOT  
ON WITH THE JOB  
AND DID MORE  
WITH LESS.  
THE NEXT CHALLENGE,  
WE HOPE, IS TO DO  
MORE WITH MORE."

# PRESIDENT'S REPORT

The 2016/17 financial year demonstrated AFAO's enduring capacity to lead the community-led HIV response, in the face of profound budget cuts.

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Despite starting the financial year with a third of the capacity that we had in the previous financial year, AFAO's advocacy on issues such as the need for a committed and dedicated community-led response, PrEP, HIV self-testing and stigma resonated among those involved in HIV prevention and treatment, decision makers and the broader community. We lobbied hard in Canberra, provided fresh perspectives in the media, and engaged widely with our membership and other key stakeholders.

Put simply, we got on with the job and did more with less. The next challenge, we hope, is to do more with more.

To that end, our finances are secure and we have met our obligations. AFAO's medium-term security remains challenging however, due to the competitive funding environment for the operational functions AFAO performs.

The sudden death of our Treasurer, Andrew Burry suffused the year with deep sadness. Andrew was also CEO of the WA AIDS Council and his intellectual and practical contribution both to AFAO and the broader community-led HIV response is deeply missed.

We saw further turnover in the composition of our board. Several directors resigned, including Kim Gates, who also stood down as executive director of NTAHC. Karen Price and Chris Gough also relinquished board positions due to work demands.

We were fortunate to welcome new directors who bring the skills identified in our governance review. Mark Orr joins the AFAO board, having served as the immediate past president of ACON and as a co-chair of the Sydney Gay and Lesbian Mardi Gras. Mark also works as a senior manager in the not-for-profit-sector. He has postgraduate qualifications in applied corporate governance, finance and investments. Michael Doyle, a descendent of the Bardi people of the Kimberley region, is an academic at the University of Sydney, formerly of the Kirby Institute, with research interests in alcohol and other drugs and prisons. Dr Susan Chong is a lecturer in health promotion at the Department of Public Health, La Trobe University. Susan is a former Regional Coordinator of the Asia Pacific Council of AIDS Service Organisations, and has continuing research interests in the region.

AFAO is also strengthened by welcoming new affiliate members. These include the Centre for Culture, Ethnicity and Health, Living Positive Victoria, the Multicultural HIV and Hepatitis Service, the National LGBTI Health Alliance, the Australian Health Care Reform Alliance, Family Planning NSW, the Peter Doherty Institute for Infection and Immunity, Positive Women Victoria, the Public Health Association of Australia, SIREN, and SHINE South Australia. They join our longstanding affiliates, the Bobby Goldsmith Foundation, the New Zealand AIDS Foundation and Positive Life NSW.

AFAO members also approved our transition from an incorporated association to a not-for-profit company limited by guarantee at the 2016 Annual General Meeting.

The outlook for the year ahead is positive. A genuine opportunity to end HIV transmissions before us. We won't resile from the challenge.

President  
Dr Bridget Haire



## CEO'S REPORT

The last year has seen AFAO take serious strides towards a strengthened community-led HIV response that could ultimately end new HIV transmission.

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In Australia, this has seen us finding new purpose and approaches in our domestic policy, advocacy and capacity building agenda. In the region, it has seen the beginnings of an exciting new program to strengthen the voice of our communities in their advocacy to governments for effective HIV financing.

Our work domestically and in the region shares a common thread: a recognition that achieving an end to HIV and AIDS will take incredible effort and that making gains gets harder, not easier, with time. This profound challenge disciplines us to think deeply, in evidence-informed ways, about what must be done, and how, if we are to reach our shared goals. Our advocacy for effective HIV financing in Asia and the Pacific has taught us a great deal in our approach to Australia's domestic response, including that success will require that the right investments are made – in people, efforts and funding.

This year, AFAO has created a stronger, more durable presence among federal parliamentarians and with the Australian Government. We have built solid, credible relationships with the Minister for Health, the Hon Greg Hunt MP, and the Shadow Minister, the Hon Catherine King MP. AFAO works closely and warmly with the Chair and Deputy Chair of the Parliamentary Liaison Group for HIV/AIDS, BBVs and STIs, Senator Dean Smith and Senator Lisa Singh, and we have been active broadly across the Parliament, educating parliamentarians and advisors and building support for action in our communities' interests.

These relationships have been buttressed by productive work and engagement with advisors and senior public servants from the Department of Health and the Department of Foreign Affairs and Trade. A highlight was our December 1 World AIDS Day breakfast, attended by over 40 parliamentarians and another sixty people that included senior advisors, Departmental officials and leaders in the national response to HIV.

During 2016/17 progress toward a successful Pharmaceutical Benefits Scheme listing of PrEP stalled, disappointingly, due to the price demands of Gilead Sciences, and generic pharmaceutical suppliers. Notwithstanding this, our work towards making this crucial HIV prevention strategy accessible continued. We have worked closely with our members to ensure our policy work and advocacy efforts are informed. We also commissioned the Kirby Institute to model the number of gay and bisexual men in Australia that need to be on PrEP to significantly reduce HIV notifications, along with its potential cost effectiveness. This work has been crucial in informing PBAC deliberations and new submissions from industry for the listing of their products on the Pharmaceutical Benefits Scheme.

Ensuring communities remain at the centre of Australia's HIV response guided much of our work. We hosted the AFAO Community Hub at the Australasian HIV and AIDS Conference in Adelaide in November. This provoked discussion about the social aspects of HIV prevention, strengthening Australia's enabling environment, people of trans and gender diverse experience and the role of HIV positive people in prevention. We also convened several national roundtables bringing together community, clinicians, researchers and government to strengthen Australia's research response. Most importantly, we have worked hard to make our biannual Members' Meetings a productive space – the preeminent national space – for community dialogue, planning and policy-setting.

AFAO continued to push to make HIV home testing available. Australian company Atomo Diagnostics announced that they had applied to the Therapeutic Goods Administration for approval of their self-testing device at the AFAO Self-Testing forum on 23 February. Australian evidence shows home testing can

# CEO'S REPORT (CONT.)

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dramatically lift testing rates in Australia among those who test regularly as well as those who do not test.

This year saw AFAO relaunch *HIV Australia*. We began this process by considering what a digest for the HIV sector would look like if invented today. The outcome is content that can be promoted across digital platforms, including as podcasts, blogs, long form essays, and social media infographics. This approach is sparking healthy community debate with a significant and growing audience. AFAO also launched a new website in April 2017 and we are strengthening our media profile, particularly through media outlets with high political influencing value.

In the international sphere, AFAO's SHIFT program – *Sustainable HIV Financing in Transition* – grew from concept to reality, with the Global Fund to Fight AIDS, Tuberculosis and Malaria confirming AFAO as Principal Recipient for this USD\$2.3m two-year program. Since February, we have welcomed six terrific, highly capable and experienced new AFAO staff to our Bangkok office to lead the program. Regional and country partners for the program have been selected, workplans and budgets finalised, and agreements with sub-recipients executed. With the scale-up of our international work, we have worked hard through the year on the establishment of an AFAO Foundation, in Thailand, through which our international programs will in future be delivered.

We continue to be very concerned by the Australian Government's diminished commitment to the response to HIV in Papua New Guinea. We have advocated strongly for our community partners in PNG and will continue to do so. While we applaud the Australian Government's increase to its Global Fund contribution, announced in late 2016, it does not diminish the need for Australia to understand and respond to the HIV epidemics of our neighbours and across the region.

We had a strong profile at the International AIDS Conference in Durban, South Africa, sharing learnings from our capacity building and HIV financing work in Asia, and showcasing the work of AFAO and Australia's AIDS Councils to demonstrate the value of community-led efforts in Australia's response to HIV.

AFAO is of course only as strong as the sum of its parts. Our state and territory AIDS Councils continue to drive terrific and pioneering work, including through their leadership in PrEP trials, new community-led testing services and their ongoing peer-led programs to prevent HIV and promote testing and treatment. And our mission would not be possible without the energy and cooperative advocacy of the National Association of People with HIV Australia (NAPWHA), the Australian Illicit and Injecting Drug Users League, the Anwernekenhe National HIV/AIDS Alliance, and Scarlet Alliance, the Australian Sex Workers Association.

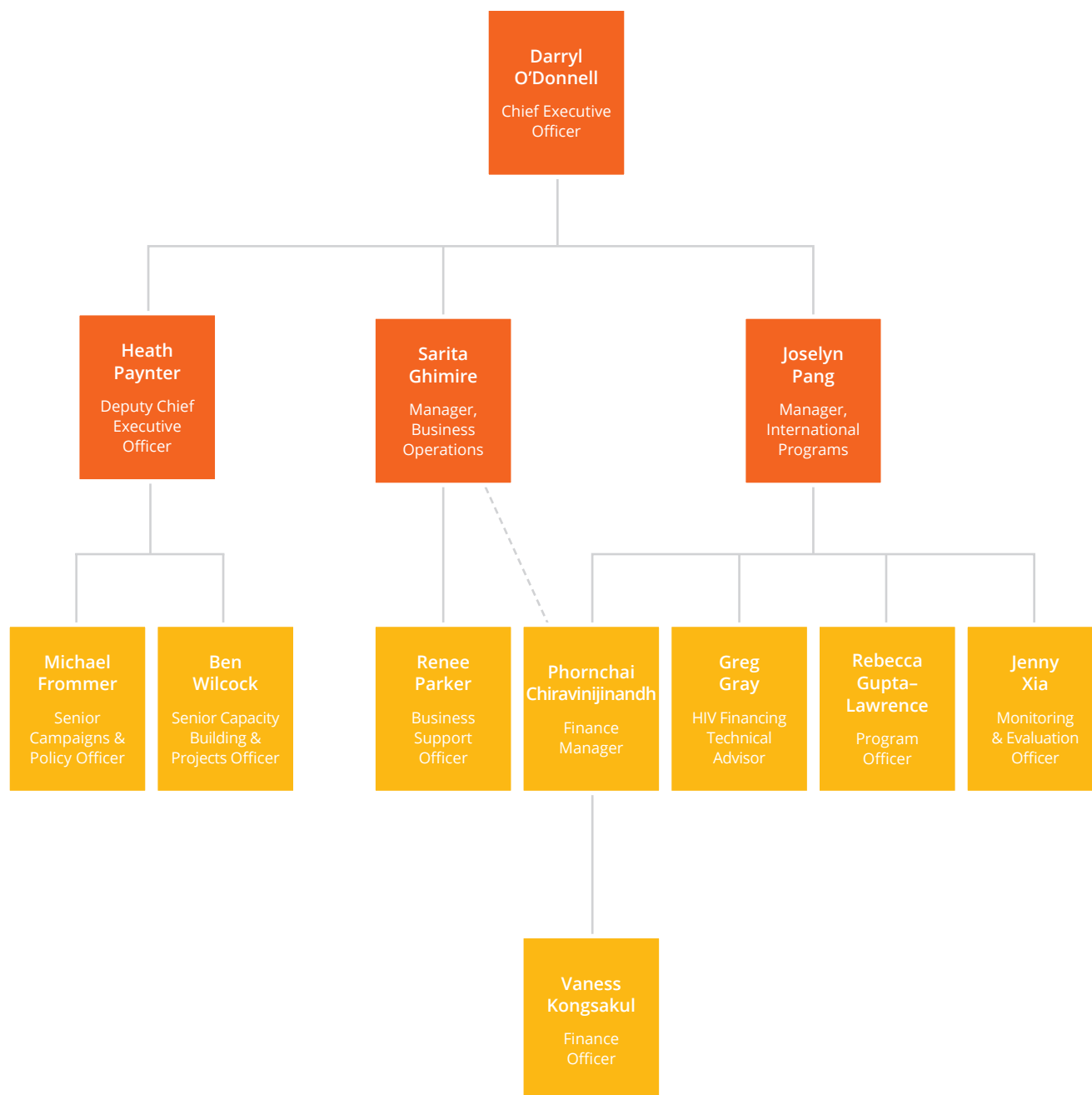
I thank AFAO's staff for their tireless work, their trust in me and their belief in AFAO's mission.

CEO

Adjunct A/Prof. Darryl O'Donnell

# AFAO ORGANISATIONAL CHART

at 30 June 2017





# AFAO MEMBER ORGANISATIONS

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# AFAO AFFILIATE ORGANISATIONS



**ashm**

Supporting the HIV, Viral Hepatitis  
and Sexual Health Workforce



**bobby goldsmith foundation**  
practical emotional financial support



centre for  
culture,  
ethnicity  
& health



**Doherty**  
Institute



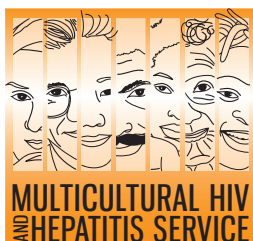
family  
planning nsw  
Reproductive & Sexual Health



**LGBTI**  
National LGBTI  
Health Alliance



living positive victoria



A statewide service hosted by  
Sydney Local Health District



New Zealand AIDS Foundation  
Te Tūāpapa Mate Āraikore o Aotearoa

**PositiveLifeNSW**  
the voice of people with HIV since 1988



**PositiveWomen**  
Support and advocacy for women living with HIV



**Public Health Association**  
AUSTRALIA

**SHINE<sub>SA</sub>**



**SIREN**  
WIA Sexual Health and Blood-borne Virus  
Applied Research and Evaluation Network

**trust**  
AIDS Trust of Australia



# AFAO INTERNATIONAL PROGRAM

This year, AFAO scaled-up its support for our communities across the region with the commencement of our *Sustainable HIV Financing in Transition* – SHIFT – program.

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SHIFT is a two-year program to help community organisations in Indonesia, Malaysia, the Philippines and Thailand become more effective advocates for sustainable HIV financing. This is critically important as these nations transition away from international donor support towards domestic funding of their HIV efforts. The Kaiser/UNAIDS Study shows that donor government funding for HIV declined by 7% in 2016, falling to the lowest level since 2010. Although domestic HIV expenditure has increased in most South-East Asia countries, only 17 percent of the total HIV spending goes to prevention services for key populations (people who use drugs, men who have sex with men, transgender people, and sex workers), who experience the greatest vulnerability to HIV and are often criminalised. SHIFT is funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria and delivered from our office in Bangkok.

While there have been significant strides towards involving and resourcing communities in expanding treatment coverage and preventing transmission across Asia, these successes will be compromised if individuals and groups are not supported to participate effectively in discussions related to continued HIV financing. A team of six highly skilled and motivated individuals with extensive community and Global Fund experience in the region are driving the HIV financing agenda for AFAO. In a very short time-span we have established good working relationships with key regional stakeholders working on the HIV response and broader health financing issues.

SHIFT responds to the growing risk of widening funding gaps in national HIV responses triggered by transitions to domestic financing. To achieve the 90–90–90 global targets in ending AIDS against dwindling external resources, community organisations are increasingly expected to mobilise sustainable resources from national government sources. The SHIFT project was designed to unpack four relevant technical areas: fiscal space, allocative efficiency, transition planning, and domestic funding mechanisms for CSOs.

Through SHIFT, AFAO is partnering with two regional organisations, APCOM and APCASO, who provide technical and communications support at both regional and country level. In each of the four

countries where the program operates – Indonesia, the Philippines, Malaysia and Thailand, we also partner with the existing organisations best positioned to support civil society and carry out advocacy and capacity building activities. Working to support communities and engage them on the often complex and challenging areas of HIV funding and budget advocacy remains a challenge. It forces community organisations to consider the technical aspects of HIV financing in an era when governments do not prioritise the epidemic.

By the end of 2018, SHIFT has the following aims:

- Increase community organisation's access to and use of strategic information on HIV financing issues, including allocative efficiency, innovative funding mechanisms, and best practices for countries in transition;
- Strengthen the technical expertise and skills of community organisations in Indonesia, Malaysia, the Philippines and Thailand to advocate for allocative efficiency, increased domestic spending on HIV, and increased fiscal space for community HIV programs;
- Promote greater political commitment, innovative streams of funding, community sector funding mechanisms and integration of HIV under Universal Health Care.

Activities that have already happened include a regional forum hosted by our partners, the Malaysian AIDS Council, on funding mechanisms. This is a vital issue as many governments in our region do not have simple ways that they can allocate funds to civil society organisations. SHIFT partners are examining options and models so that they can advocate for improved funding mechanisms. We have also begun work on capacity needs assessments in each of the four countries and follow up advocacy training for our country partners. HIV related financing data is being collected at local level and will support local evidence based advocacy to address ongoing concerns regarding diminishing funding for the HIV response.

# AFAO DOMESTIC PROGRAM

In 2016/17, as we adjusted to our smaller capacity, we have worked hard to prioritise the issues most important to our members, and that can make the biggest difference to Australia's HIV efforts.

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At the heart of this has been our analysis of the epidemic, and our planning, research translation, development of policy solutions, and capacity building with members.

This has included responding to parliamentary inquiries, engaging in government consultations, preparing policy papers highlighting developments in HIV science and medicine and working with stakeholders to support improved access to safe and effective technology.

AFAO's policy activities are purposefully geared toward creating change. During the year, we have deepened and broadened our engagement with parliamentarians, advisors, public servants and other stakeholders whose roles shape Australia's HIV response. Our engagement includes providing updates on the profile of HIV in Australia, highlighting and proposing solutions for emerging issues, drawing attention to issues of access, equity and changing epidemiology, including the continued increases in the rate of HIV among Aboriginal and Torres Strait Islander Australians, advocating to government and industry for access to new technologies, and conveying our communities' perspectives in government consultations.

We have also supported our members, affiliates and, increasingly, research and clinical stakeholders, with analyses of developments in HIV technology and major breakthroughs in HIV social and clinical research. We approach these tasks through written resources, forums, and working groups. In turn, our members have continued to provide AFAO with insights into emerging trends among our communities which allow us to act as a rapid, trusted provider of intelligence to government and other influencers.

Core activities across the year included:

- the AFAO Community Hub at the 2016 Australasian HIV/AIDS Conference in Adelaide;
- implementation of a new communications strategy including a social media strategy;
- a National Self-Testing forum, held 23 February;
- the continuation of *HIV Australia*, including transitioning the publication to an online format;

- a nationally coordinated strategy to support affordable and equitable access to HIV pre-exposure prophylaxis (PrEP); and
- a comprehensive 2017 budget response for the AFAO Membership

AFAO's HIV policy work included submissions to parliamentary inquiries. Of particular note were submissions prepared with NAPWHA on draft legislation amending the *Therapeutic Goods Act 1989*. These submissions – and other advocacy supporting implementation of the 2015 Expert Panel Review of Medicines and Medical Devices Regulation review – did not relate to specific emerging HIV technology and science, but rather make important recommendations to improve the system that approves technology for use in Australia.

AFAO also prepared a major submission to the Pharmaceutical Benefits Advisory Committee (PBAC) in support of PrEP being listed on the Pharmaceutical Benefits Scheme (PBS) ahead of the July 2017 PBAC meeting. This submission was developed in consultation with AFAO members and affiliates through our National PrEP Advocacy Working Group.

Two major policy priorities for AFAO during the year were HIV self-testing and PrEP.

Our work on self-testing involved strengthening the awareness of this technology among our members, and preparing our members for the availability of a self-testing device in Australia. This included an HIV self-testing forum on 23 February which was attended by member CEOs, health education and service delivery managers, policy advisors and industry. At this event, Atomo Australia announced that they have applied to the Therapeutic Goods Administration (TGA) for approval of an HIV self-testing device. In support of this application AFAO has been working with Atomo to ensure the best possible community access to this device, if the application is successful.

Following the disappointing decision by the PBAC in August 2016 to reject Gilead's application to list PrEP on the PBS, we've worked with our members to support improved access to PrEP through clinical trials and importation, and by pushing for fastest possible

# AFAO DOMESTIC PROGRAM (CONT.)

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reconsideration of PrEP by the PBAC. This included our publication of a *PrEP Round-up* highlighting equity of access across Australia. This work has been guided by our PrEP Advocacy Working Group, which allows for the exchange of ideas and intelligence among AFAO's members, supports advocacy for State and Territory trials, raises awareness of issues around clinical resourcing to meet demand for PrEP, and responds to issues such as STI screening in combination with PrEP, renal screening among individuals importing PrEP, and other issues relating to importation of PrEP. AFAO also provided considerable input to the drafting of updated national PrEP clinical guidelines, developed by the Australasian Society for HIV, Viral Hepatitis and Sexual Health Medicine.

AFAO played a critical role in supporting fresh applications to the PBAC to have PrEP listed on the PBS at the July 2017 meeting of the PBAC. To inform PBAC and PrEP sponsors, AFAO commissioned the Kirby Institute to model the numbers of gay and bisexual men at high risk of HIV in Australia who are eligible for PrEP. This work also generated estimates for the cost-effectiveness of PrEP under different scenarios. Pharmaceutical companies have relied upon this modelling in their submissions to PBAC.


In 2016/17 we have continued to represent community interests on a range of committees. At the ministerial and intergovernmental levels these include the Ministerial Advisory Committee on Blood Borne Viruses and Sexually Transmissible Infections (MACBBVS) and the intergovernmental Blood Borne Viruses and Sexually Transmissible Infections Standing Committee (BBVSS), which reports to the COAG Health Council. We participate in a wide range of research forums and have been closely involved in supporting the release of the Annual Surveillance Report and

Annual Report of Trends in Behaviour.

During the year we farewelled Finn O'Keefe, AFAO's Senior Communications Officer. Finn worked with AFAO for eight years, including as editor of *HIV Australia*. Finn was also the Staff Representative on the AFAO Board. He was well known to our members and wider stakeholders. AFAO is very grateful for Finn's outstanding contribution to our organisation and to the response to HIV. The warmth and regard in which he is held across the sector speaks to his talent and professionalism.

One of the final projects Finn oversaw was the development of a new AFAO website. The website includes completely revised content and a restructured menu with more easily accessible content which makes ongoing management of the website more cost effective.





"OUR ADVOCACY  
FOR EFFECTIVE HIV  
FINANCING IN ASIA  
AND THE PACIFIC HAS  
TAUGHT US A GREAT  
DEAL IN OUR APPROACH  
TO AUSTRALIA'S  
DOMESTIC RESPONSE,  
INCLUDING THAT  
SUCCESS WILL  
REQUIRE THAT THE  
RIGHT INVESTMENTS  
ARE MADE – IN  
PEOPLE, EFFORTS  
AND FUNDING."



# FINANCIAL REPORT

For the Year Ended 30 June 2017

AUSTRALIAN FEDERATION OF AIDS ORGANISATIONS LIMITED

(Formerly the Australian Federation of AIDS Organisations Incorporated)

## THE BOARD OF DIRECTORS REPORT FOR THE YEAR ENDED 30 JUNE 2017

The following persons were directors of the Australian Federation of AIDS Organisations Limited (formerly the Australian Federation of AIDS Organisations Incorporated) during the financial year or since the end of the year:

Bridget Haire – National President

Mark Orr (*from February 2017*) – Vice President  
(*from April 2017*)

Joanne Leamy

Simon Ruth (*up to November 2016*)

Chris Gough (*up to April 2017*)

David Menadue

Mish Pony

Susan Chong (*from April 2017*)

Finn O'Keefe – Staff Representative  
(*up to September 2016*)

Andrew Burry – Vice President (*up to March 2017*)

Neville Fazulla (*up to June 2017*)

Kim Gates (*up to February 2017*)

Karen Price (*up to February 2017*)

Michael Doyle (*from April 2017*)

James Dunne (*from May 2017*)

Stephen Teulan (*from May 2017*)

Peter William Rowe (*from July 2017*)

Michelle Tobin (*from July 2017*)

Darryl O'Donnell – Ex Officio (*up to September 2016*)

## DIRECTORS' REGISTER OF ATTENDANCE 2017

|                                | Board Meetings            |                 |
|--------------------------------|---------------------------|-----------------|
|                                | Number Eligible To Attend | Number Attended |
| Burry, Andrew                  | 7                         | 6               |
| Chong, Susan                   | 3                         | 2               |
| Doyle, Michael                 | 3                         | 3               |
| Dunne, James                   | 2                         | 1               |
| Fazulla, Neville               | 9                         | 1               |
| Gates, Kim                     | 5                         | 2               |
| Gough, Chris                   | 7                         | 6               |
| Haire, Bridget                 | 10                        | 10              |
| Leamy, Joanne                  | 10                        | 9               |
| Menadue, David                 | 10                        | 9               |
| O'Donnell, Darryl (Ex Officio) | 2                         | 2               |
| O'Keefe, Finn                  | 2                         | 2               |
| Orr, Mark                      | 5                         | 5               |
| Pony, Mish                     | 10                        | 10              |
| Price, Karen                   | 5                         | 4               |
| Ruth, Simon                    | 4                         | 4               |
| Teulan, Stephen                | 2                         | 2               |

# FINANCIAL REPORT (CONT.)

For the Year Ended 30 June 2017

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## AFAO BOARD AS AT 30 JUNE 2017

**Bridget Haire, National President:** Bridget Haire is a post-doctoral research fellow at the Kirby Institute, UNSW Australia where she studies ethical aspects of infectious diseases. Her research includes PrEP, HIV criminalisation and neglected tropical diseases. She has a strong commitment to the community sector and has worked in HIV and sexual and reproductive health in a range of different roles for more than 20 years.

Bridget is a member of the Ministerial Advisory Committee on Blood Borne Viruses and Sexually Transmissible Infections, the NSW Assessment Panel for the Management of People with HIV Who Risk Infecting Others and is the Global Emerging Pathogens consortium. She is a former consultant for the Australia-China Human Rights Technical Co-operation Program on sexual and reproductive health rights for the Australian Human Rights Commission.

She has a Masters of Bioethics (Hons) and a Doctorate on standards of care in HIV prevention research.

**Mark Orr, Vice President:** Mark is a senior manager working in mental health in the not-for profit-sector. He is the immediate past president of the board of ACON, one of AFAO's members, and a previous Director and Co-Chair of Sydney Gay and Lesbian Mardi Gras.

Mark holds Masters degrees in Health Services Management and e-Health (Health Informatics), as well as postgraduate qualifications Applied Corporate Governance, applied finance and investments and special education. He is a graduate member of the Australian Institute of Company Directors and associate member of the Governance Institute of Australia.

**David Menadue:** David has served in range of governance roles with HIV sector organisations in Victoria and nationally. These include being Vice-President and Board Member of Victorian AIDS Council for numerous terms since 1989, former President and Board Member of People living with HIV/AIDS Victoria (now Living Positive Victoria), Board member of AFAO and former President and current Board Member of NAPWHA.

David is a former school teacher, retired since the nineties after several AIDS-defining illnesses. He has a particular interest in the service and policy needs of people living with HIV as they age.

He was awarded an Order of Australia in 1995 and is the author of an autobiography Positive.

**James Dunne:** James has more than 10 years' experience in public health, primary health and community development roles for government and non-government organisations in Scotland, Hong Kong and Australia. His current role at the Australian Injecting and Illicit Drug Users League (AIVL) sees him coordinate national peer-led projects that promote the health and rights of people who use drugs.

James has previously undertaken studies in business management and social policy, and is currently undertaking a Masters of Human Rights. He is also an Honorary Fellow at the Centre for Criminology at The University of Hong Kong.

**Joanne Leamy:** Joanne served on the Board of Queensland AIDS Council from 2008 until 2016, including as President from late 2012.

Joanne is a Registered Nurse with over 20 years nursing and research experience in the fields of sexual health, HIV and hepatitis C. She holds an MA (Nursing) and has held sessional teaching positions at James Cook University, Griffith University and taught at University of Queensland HIV Courses. She is also a Graduate of the Australian Institute of Company Directors.

Joanne has a teenage son and has undertaken various volunteering activities in her LGBTI community.

# FINANCIAL REPORT (CONT.)

For the Year Ended 30 June 2017

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**Michael Doyle:** Michael Doyle is Wingara Mura Research Fellow at the University of Sydney. He is an early career Aboriginal researcher in the alcohol and drug field with a particular interest in prisoner health. He has worked in Aboriginal health service provision, policy and research for over 18 years. Michael was the first Aboriginal person to graduate with a Master of Public Health from the University of Western Australia and is in the final year of his PhD at UNSW Australia.

**Mish Pony:** Mish Pony has been involved in the sex worker rights movement and LGBTIQ health for a number of years, starting as a queer officer at the University of Sydney and a facilitator of ACON's Fun & Esteem project. Mish was the Trans Sex Worker Representative for Scarlet Alliance, Australian Sex Workers Association 2009–2010, and 2011–2013, and International Spokesperson in 2010–2011.

They are currently the Administration Officer for Scarlet Alliance, Australian Sex Workers Association; and are a collective member of Camp Out Inc, an organisation that puts on an annual camp of LGBTIQ teenagers. Mish has facilitated numerous workshops on trans\*, queer and sex worker issues, as well as presenting at conferences around Australia. Mish also runs a trans woman zine distro in their spare time and is part of a collective establishing a queer, women-focused land project in the Hunter Valley.

**Susan Chong:** Susan is a lecturer in the undergraduate Department of Public Health at La Trobe University, which offers the Bachelor of Health Sciences degree. The subjects she teaches focus on program planning and evaluation, community health promotion, field placement, public health practice and global health. Her current research interests are in community systems strengthening, and HIV and AIDS policy and advocacy, HIV treatment cascade, and treatment seeking behaviour of people living with HIV.

Susan has worked in the field of HIV and AIDS for over 25 years in Asia and the Pacific. Her work included coordinating an Asia Pacific network of non-government organisations and facilitating civil society participation in international development programs, strategic planning, resource mobilisation, program planning, policy analysis, research, and monitoring and evaluation.

**Stephen Teulan:** Steve is a Chartered Accountant who has worked in senior management roles in the health and aged care sector for the last twenty-one years.

Prior to joining Nous Group, he was the leader of the aged care services for Uniting (NSW.ACT). During that time, Uniting became the first large aged care provider and first faith-based aged care provider in Australia to receive the Rainbow Tick. In 2016, Uniting also received the Pride in Diversity award for Top Not for Profit Employer of LGBTI People in Australia.

In his role as Principal Consultant at Nous Group, Steve regularly undertakes policy work with Federal and State Governments.

# FINANCIAL REPORT (CONT.)

For the Year Ended 30 June 2017

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## PRINCIPAL ACTIVITIES AND OBJECTIVES

AFAO's Objects are to:

- end the transmission of HIV;
- maximise the health and wellbeing of AFAO's communities;
- oppose discrimination and violence and reduce stigma associated with HIV;
- foster and advocate for strengthened community responses to HIV in Australia, Asia and the Pacific;
- contribute to the global effort to end HIV and AIDS and respond to issues affecting the Members and communities abroad;
- recognise and respond to issues that intersect with HIV and that hinder the achievement of these objects, including sexually transmissible infections, drug and alcohol issues, viral hepatitis, and mental health;
- promote sexual health and the enjoyment of sexual and reproductive health rights for all regardless of HIV status;
- adopt a social view of health that recognises the social, economic and structural determinants of good health and that responds to these directly and through the promotion of human rights, social justice and equity of access;
- advocate for, be informed by and remain embedded within communities living with and affected by HIV and the Members who represent them; and
- encourage, facilitate and maximise the participation of people with HIV in all activities of AFAO, whether as office bearers, delegates, representatives, employees, or in any other capacity.

We do this by:

- leading national conversations on these issues and contributing to regional and global dialogue;
- building political support through non-partisan engagement;
- educating decision-makers and the public;
- supporting community engagement and participation in national, regional and international advocacy with decision-makers and stakeholders;
- providing a public voice for these issues in the media and community;
- coordinating issues and responses across the Members, Affiliate Members and other organisations;
- bringing together community representatives to share, plan and respond to issues;
- developing and implementing programs and responding to gaps;
- promoting discussion among the Members and Affiliate Members on policy issues;
- formulating and documenting policy positions and supporting their implementation;
- developing tools, materials and strategic information to support community advocacy and knowledge sharing;
- influencing the planning and reporting of research and supporting its translation;
- strengthening the enabling environment including through systemic advocacy for the elimination of laws that impede the response and the promotion of enablers;
- developing workforce capability and sector capacity and supporting the Members and Affiliate Members;

# FINANCIAL REPORT (CONT.)

For the Year Ended 30 June 2017

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- promoting the success of AFAO and its Members and Affiliate Members and building awareness of successful community-based responses in Australia, regionally and internationally;
- fostering financial security and sustainability in the community-based responses of AFAO and its Members, Affiliate Members and partners.

## SIGNIFICANT CHANGES

On 22 June 2017, the name of the entity was changed from the Australian Federation of AIDS Organisations Incorporated to the Australian Federation of AIDS Organisations Limited as a result of conversion of the structure from an association incorporated under the *Associations Incorporation Act 1991 (ACT)* to a company limited by guarantee under the *Corporations Act 2001 (Cwlth)*.

Adj A/Prof Darryl O'Donnell, AFAO's Chief Executive Officer, was appointed as Company Secretary and Public Officer when AFAO became a company limited by guarantee on 22 June 2017.

## OPERATING RESULT

AFAO's deficit for the year ended 30 June 2017 was \$15,991 (2016 deficit of \$228,427). Due to significant reductions in funds from the Department of Health and Department of Foreign Affairs and Trade, which were major sources of AFAO's income, the total revenue and expenditures were less than compared to past years.

Given a difficult financial year with budget constraints for AFAO, the available budget was managed prudently and the outcome was in-line with the estimated projection for the year.

This year AFAO was successful in obtaining a new grant from the Global Fund to Fight AIDS, Tuberculosis and Malaria to implement the Sustainable HIV Financing in Transition (SHIFT) program in south east Asia.

Signed in accordance with a resolution of the Board of Directors by:



Bridget Haire  
President



Vice President

Dated this       day of       2017

28

September

**LBW & Partners**

Chartered Accountants & Business Advisers  
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**Partners**

Rupa Dharmasiri

Alan M Perrott

George P Rachios

Mark W Willock

**Australian Federation of AIDS Organisations Limited (Formerly Australian Federation of  
AIDS Organisations Incorporated)**

**ABN: 91 708 310 631**

**Auditor's Independence Declaration**

**To the Directors of Australian Federation of AIDS Organisations Limited**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012*, as the auditor of Australian Federation of AIDS Organisations Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Rupaninga Dharmasiri**

**Partner**

LBW & Partners

Chartered Accountants

Level 3, 845 Pacific Highway

CHATSWOOD NSW 2067

DATED this 28<sup>th</sup> day of September 2017

Our reference: 464271\_1



Liability limited by a scheme approved  
under Professional Standards Legislation



**Analysis  
Interpretation  
Planning**



# STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

|                                      | Note | 2017<br>\$       | 2016<br>\$       |
|--------------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                        |      |                  |                  |
| <b>CURRENT ASSETS</b>                |      |                  |                  |
| Cash and cash equivalents            | 4    | 1,100,248        | 613,856          |
| Financial Assets                     | 5    | 130,232          | 737,464          |
| Trade and other receivables          | 6    | 2,485            | 56,831           |
| Security deposits and prepayments    |      | 23,717           | 16,640           |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>1,256,682</b> | <b>1,424,791</b> |
| <b>NON-CURRENT ASSETS</b>            |      |                  |                  |
| Property, plant and equipment        | 7    | 51,598           | 64,498           |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>51,598</b>    | <b>64,498</b>    |
| <b>TOTAL ASSETS</b>                  |      | <b>1,308,280</b> | <b>1,489,289</b> |
| <b>LIABILITIES</b>                   |      |                  |                  |
| <b>CURRENT LIABILITIES</b>           |      |                  |                  |
| Trade and other payables             | 8    | 42,298           | 162,257          |
| Grants in Advance                    | 9    | 493,487          | 114,598          |
| Provisions                           | 10   | 131,429          | 548,549          |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>667,214</b>   | <b>825,404</b>   |
| <b>NON-CURRENT LIABILITIES</b>       |      |                  |                  |
| Provisions                           | 10   | 6,148            | 12,976           |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>6,148</b>     | <b>12,976</b>    |
| <b>TOTAL LIABILITIES</b>             |      | <b>673,362</b>   | <b>838,380</b>   |
| <b>NET ASSETS</b>                    |      | <b>634,918</b>   | <b>650,909</b>   |
| <b>EQUITY</b>                        |      |                  |                  |
| Reserves                             | 12   | 175,000          | 119,122          |
| Retained earnings                    | 11   | 459,918          | 531,787          |
| <b>TOTAL EQUITY</b>                  |      | <b>634,918</b>   | <b>650,909</b>   |

The accompanying notes form part of these financial statements

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

|  | Notes | 2017<br>\$       | 2016<br>\$       |
|--|-------|------------------|------------------|
| <b>REVENUE</b>                                       |       |                  |                  |
| Grants   |       |                  |                  |
| Commonwealth Funds – Department of Health            | 2     | 973,002          | 2,193,139        |
| Department of Foreign Affairs and Trade              | 2     | 72,284           | 372,294          |
| Interest income                                      |       | 17,922           | 28,014           |
| Other income – Australian                            |       | 175,324          | 108,248          |
| Other income – Overseas                              | 2     | 630,755          | 91,090           |
| <b>TOTAL REVENUE</b>                                 |       | <b>1,869,287</b> | <b>2,792,785</b> |
| <b>EXPENDITURE</b>                                   |       |                  |                  |
| International Program expenditure including salaries |       | 648,177          | 473,811          |
| Domestic Programs                                    |       |                  |                  |
| Domestic programs expenditure                        |       | 112,023          | 545,059          |
| Staffing   |       | 752,572          | 1,406,555        |
| Administration                                       |       | 372,506          | 595,787          |
| <b>TOTAL EXPENDITURE</b>                             |       | <b>1,885,278</b> | <b>3,021,212</b> |
| <b>DEFICIT FOR THE YEAR</b>                          |       | <b>(15,991)</b>  | <b>(228,427)</b> |
| <b>OTHER COMPREHENSIVE INCOME</b>                    |       | <b>-</b>         | <b>-</b>         |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>       |       | <b>(15,991)</b>  | <b>(228,427)</b> |

The accompanying notes form part of these financial statements

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

|                                   | Retained Earnings<br>\$ | Reserves<br>\$ | Total<br>\$ |
|-----------------------------------|-------------------------|----------------|-------------|
| <b>Balance at 30 June 2015</b>    | 549,336                 | 330,000        | 879,336     |
| Deficit for the year              | (228,427)               | –              | (228,427)   |
| Transferred to or (from) Reserves | 210,878                 | (210,878)      | –           |
| <b>Balance at 30 June 2016</b>    | 531,787                 | 119,122        | 650,909     |
| Deficit for the year              | (15,991)                | –              | (15,991)    |
| Transferred to or (from) Reserves | (55,878)                | 55,878         | –           |
| <b>Balance at 30 June 2017</b>    | 459,918                 | 175,000        | 634,918     |

The accompanying notes form part of these financial statements

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

|   | Notes | 2017<br>\$  | 2016<br>\$  |
|---|-------|-------------|-------------|
| <b>Cash flows from operating activities</b>         |       |             |             |
| Australian Government Grants received               |       | 973,002     | 2,142,099   |
| Interest Received                                   |       | 17,922      | 28,014      |
| Other Grants/Income                                 |       | 1,311,598   | 608,837     |
| Project Grant Costs                                 |       | (752,901)   | (1,052,105) |
| Payments to Employees and Suppliers                 |       | (1,670,461) | (1,915,912) |
| Net cash used in operating activities               |       | (120,840)   | (189,067)   |
| <b>Cash flow from investing activities</b>          |       |             |             |
| (Increase) decrease in term deposits                |       | 607,232     | (279,809)   |
| Net cash provided by (used in) investing activities |       | 607,232     | (279,809)   |
| Net increase/(decrease) in cash held                |       | 486,392     | (468,876)   |
| Cash at beginning of year                           |       | 613,856     | 1,082,732   |
| Cash at end of year                                 | 4     | 1,100,248   | 613,856     |

The accompanying notes form part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

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On 22<sup>nd</sup> June 2017, the name of the entity was changed from Australian Federation of AIDS Organisations Incorporated to Australian Federation of AIDS Organisations Limited as a result of conversion of the structure from an association incorporated under the *Association Incorporation Act 1991 (ACT)* to a company limited by guarantee under the *Corporation Act 2001 (Cwlth)*.

The financial statements were authorised for issue on 28th September 2017 by the Board of Directors.

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation

Australian Federation of AIDS Organisations Limited has applied AASB 1053; Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The Federation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied 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, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

### Accounting Policies

#### a. Income Tax

As a charitable institution for the purposes of Subdivision 50–5 of the Income Tax Assessment Act 1997, the Federation is exempt from income tax.

#### b. Property, Plant and Equipment

##### *Plant and equipment*

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Federation and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2017

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## **Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur.

## **c. Leases**

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

## **d. Financial Instruments**

### ***Initial recognition and measurement***

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Federation commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

### ***Classification and subsequent measurement***

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The Federation's financial assets are divided into the following categories which are described in detail below.

- Loans and receivables
- Held-to-maturity investments

#### ***(i) Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.



# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2017

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## *(ii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Federation's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

## *(iii) Financial liabilities*

Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

## **Impairment**

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Federation recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

## **Derecognition**

Financial assets are derecognised when the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

## **e. Impairment of Assets**

At the end of each reporting period, the Federation assesses whether there is any indication that an asset may be 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 immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Federation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2017

## **f. Employee Benefits**

### ***Short-term employee benefits***

Provision is made for the Federation's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

### ***Other long-term employee benefits***

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Federation's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Federation does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

### ***Retirement benefit obligations – Defined contribution superannuation benefits***

All employees of the Federation receive defined contribution superannuation entitlements, for which the Federation pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employee's defined contribution entitlements are recognised as an expense when they become payable. During the year the Federation incurred expenses amounting to \$67,020 (2016: \$115,483) towards contributions to employee superannuation funds.

The Federation's obligation with respect to employee's defined contribution entitlements is limited to its obligations for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as part of current trade and other payables in the Federation's statement of financial position.

## **g. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

## **h. Trade and Other Receivables**

Trade and other receivables include amounts due from members as well as amounts receivable from third parties. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2017

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## **i. Revenue and Other Income**

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

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

When grant revenue is received whereby the Federation incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Federation receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

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

## **j. Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

## **k. Comparative Figures**

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

## **l. Trade and Other Payables**

Accounts payable and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Federation during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2017

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## **m. Provisions**

Provisions are recognised when the Federation has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## **n. Foreign Currency Transactions and Balances**

Foreign currency transactions during the year are converted to Australian dollars at the rates of exchange applicable at the dates of the transactions. Assets and liabilities in foreign currencies at balance date are converted at the rates of exchange ruling at that date. Exchange difference arising on transactions of foreign currencies are recognised in profit and loss.

## **o. Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated in 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 Federation.

### *(i) Key Judgements*

#### Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Federation expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the Federation believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2017

## NOTE 2: REVENUE AND OTHER INCOME

|   | 2017<br>\$ | 2016<br>\$ |
|---|------------|------------|
| Commonwealth Funds:   |            |            |
| Dept. of Health – Health Peak and Advisory Bodies Program                         | 375,000    | 362,970    |
| Dept. of Health – Communicable Disease Prevention and Service Improvement Program | 568,182    | 1,830,169  |
| Dept. of Health – World AIDS Day Parliamentary Breakfast Sponsorship              | 29,820     | –          |
|   | 973,002    | 2,193,139  |
| Department of Foreign Affairs and Trade (DFAT) Funds:                             |            |            |
| DFAT PNG MSM Project  | –          | 209,450    |
| DFAT Regional HIV Capacity Building Program                                       | –          | 90,561     |
| DFAT Bridging Fund for AFAO International Program                                 | 72,284     | 72,283     |
|   | 72,284     | 372,294    |
| Other Income – Overseas:  |            |            |
| The Global Fund – Regional Dialogue for Concept Note Development                  | 5,483      | 53,876     |
| The Global Fund – Sustainable HIV Financing in Transition (SHIFT)                 | 625,272    | –          |
| RTI International – PEPFAR Sexual Orientation and Gender Identity (SOGI)          | –          | 37,214     |
|   | 630,755    | 91,090     |

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2017

## NOTE 3: AUDITORS' REMUNERATION

|  | 2017<br>\$ | 2016<br>\$ |
|--|------------|------------|
| Remuneration of the auditor of the Federation for:                 |            |            |
| Auditing or reviewing the financial report: paid to LBW & Partners | 15,055     | 16,450     |
|  | 15,055     | 16,450     |
| Other Services paid to LBW & Partners                              | 1,000      | –          |
|  | 1,000      | –          |

## NOTE 4: CASH AND CASH EQUIVALENTS

|  | 2017<br>\$ | 2016<br>\$ |
|--|------------|------------|
| Cash at bank (AUD Bank Accounts)               | 271,659    | 430,903    |
| Cash at bank (USD Bank Account – US\$ 267,286) | 354,763    | –          |
| Short-term bank deposits (up to 3 months)      | 472,826    | 182,253    |
| Cash on hand                                   | 1,000      | 700        |
|  | 1,100,248  | 613,856    |

### *Reconciliation of cash*

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:

|                           |           |         |
|---------------------------|-----------|---------|
| Cash and cash equivalents | 1,100,248 | 613,856 |
|                           | 1,100,248 | 613,856 |

## NOTE 5: FINANCIAL ASSETS

|  | 2017<br>\$ | 2016<br>\$ |
|--|------------|------------|
| Held to maturity investments – Term Deposits | 130,232    | 737,464    |
|  | 130,232    | 737,464    |



# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2017

## NOTE 6: TRADE AND OTHER RECEIVABLES

|                             | 2017<br>\$   | 2016<br>\$    |
|-----------------------------|--------------|---------------|
| Member Organisations        | 2,485        | 18,226        |
| Health Sector Organisations | –            | 18,000        |
| Other                       | –            | 20,605        |
|                             | <u>2,485</u> | <u>56,831</u> |

## NOTE 7: PROPERTY, PLANT AND EQUIPMENT

|                                     | 2017<br>\$    | 2016<br>\$    |
|-------------------------------------|---------------|---------------|
| Office furniture at cost            | 4,496         | 4,496         |
| Accumulated depreciation            | (2,387)       | (1,859)       |
| Total office furniture              | <u>2,109</u>  | <u>2,637</u>  |
| Leasehold improvements              |               |               |
| At cost                             | 113,714       | 113,714       |
| Accumulated depreciation            | (64,225)      | (51,853)      |
| Total Leasehold Improvements        | <u>49,489</u> | <u>61,861</u> |
| Total Property, Plant and Equipment | <u>51,598</u> | <u>64,498</u> |

### *Movements in carrying amounts*

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

|                                      | Leasehold<br>Improvements<br>\$ | Office<br>Furniture<br>\$ | Total<br>\$   |
|--------------------------------------|---------------------------------|---------------------------|---------------|
| Balance at the beginning of the year | 61,861                          | 2,637                     | 64,498        |
| Depreciation expense                 | (12,372)                        | (528)                     | (12,900)      |
| Carrying amount at the end of year   | <u>49,489</u>                   | <u>2,109</u>              | <u>51,598</u> |

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2017

## NOTE 8: TRADE AND OTHER PAYABLES

|                                      | 2017<br>\$    | 2016<br>\$     |
|--------------------------------------|---------------|----------------|
| <b>CURRENT</b>                       |               |                |
| Trade Payables                       | 33,289        | 144,492        |
| GST Payable (Recoverable)            | (6,864)       | (14,833)       |
| PAYG Tax                             | 11,078        | 16,974         |
| Superannuation and Employee Benefits | 4,795         | 15,624         |
|                                      | <u>42,298</u> | <u>162,257</u> |

## NOTE 9: GRANTS IN ADVANCE

|                              | 2017<br>\$     | 2016<br>\$     |
|------------------------------|----------------|----------------|
| International Program Grants | 361,029        | 84,085         |
| Other Grants                 | 132,458        | 30,513         |
|                              | <u>493,487</u> | <u>114,598</u> |

## NOTE 10: PROVISIONS

|   | 2017<br>\$     | 2016<br>\$     |
|---|----------------|----------------|
| Current Employee Benefits                             |                |                |
| Annual Leave, Long Service Leave and Accrued Salaries | 131,429        | 337,671        |
| Provision for Redundancies                            | –              | 210,878        |
|   | <u>131,429</u> | <u>548,549</u> |
| Non-Current   | 6,148          | 12,976         |

The provision relating to employees with 5 or more years of service is recorded as a current liability and the provision relating to employees with 0 to 5 years of service (i.e. not statutorily liable), is treated as a non-current liability pursuant to negotiated employment contracts of AFAO staff. Based on past experience, the Federation expects the full amount of annual leave balance to be settled within next 12 months. Further, these amounts must be classified as current liabilities since the Federation does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2017

## NOTE 11: RETAINED EARNINGS

|  | 2017<br>\$ | 2016<br>\$ |
|--|------------|------------|
| Retained earnings at beginning of year   | 531,787    | 549,336    |
| Deficit for the year                     | (15,991)   | (228,427)  |
| Transfer (to) from Redundancy Reserves   | (55,878)   | 210,878    |
| Retained earnings at the end of the year | 459,918    | 531,787    |

## NOTE 12: REDUNDANCY RESERVE

|                                      | 2017<br>\$ | 2016<br>\$ |
|--------------------------------------|------------|------------|
| Opening balance                      | 119,122    | 330,000    |
| Transfer (to) from retained earnings | 55,878     | (210,878)  |
| Balance at end of the year           | 175,000    | 119,122    |

## NOTE 13: FINANCIAL RISK MANAGEMENT

The Federation's financial instruments consist mainly of deposits with banks, local money market instruments, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139, as detailed in the accounting policies to these financial statements, are as follows:

|  | NOTE | 2017<br>\$ | 2016<br>\$ |
|--|------|------------|------------|
| <b>FINANCIAL ASSETS</b>                      |      |            |            |
| Cash and cash equivalents                    | 4    | 1,100,248  | 613,856    |
| Loans and receivable                         | 6    | 2,485      | 56,831     |
| Held to maturity investments – term deposits | 5    | 130,232    | 737,464    |
| Total financial assets                       |      | 1,232,965  | 1,408,151  |
| <b>Financial liabilities</b>                 |      |            |            |
| Financial liabilities at amortised cost:     |      |            |            |
| Trade and other payables                     | 8    | 42,298     | 162,257    |
| Total financial liabilities                  |      | 42,298     | 162,257    |

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2017

## *Financial assets pledged as collateral*

Term deposits amounting to \$30,000 and \$45,000 (2016: \$30,000 and \$45,000) have been held by the bank as security for AFAO Newtown office lease and staff payroll respectively.

## Fair Values

Cash, Trade and other receivables, and Trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value.

## NOTE 14: ECONOMIC DEPENDENCY

The Australian Federation of AIDS Organisations Limited is reliant upon continuing government funding to operate as a going concern.

## NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION

|                                       | 2017<br>\$     | 2016<br>\$     |
|---------------------------------------|----------------|----------------|
| Key management personnel compensation | 489,499        | 654,526        |
|                                       | <u>489,499</u> | <u>654,526</u> |

## NOTE 16: OPERATING LEASE COMMITMENTS

Non-cancellable operating leases contracted for but not capitalised in the financial statements

|                                  | 2017<br>\$    | 2016<br>\$     |
|----------------------------------|---------------|----------------|
| Payable – minimum lease payments |               |                |
| not later than 12 months         | 56,850        | 115,974        |
| between 12 months and 5 years    | -             | 39,037         |
|                                  | <u>56,850</u> | <u>155,011</u> |

## NOTE 17: EVENTS AFTER THE BALANCE DATE

- No material events that affect the Federation or these financial statements have occurred since balance date requiring disclosure.
- The financial report was authorised for issue on the 16th September, 2016.

## NOTE 18: FEDERATION DETAILS

The registered office of the Federation is:

The Australian Federation of AIDS Organisations Limited  
Level 1, 222 King Street, Newtown NSW 2042

## STATEMENT BY THE BOARD OF DIRECTORS

For the year ended 30 June 2017

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### DIRECTORS' DECLARATION

The directors declare that in their opinion:

- a) there are reasonable grounds to believe that Australian Federation of AIDS Organisations Limited is able to pay all of its debts, as and when they become due and payable; and
- b) 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*.



Bridget Haire  
President



Mark Orr  
Vice President

Dated this 28 day of September 2017

**LBW & Partners**

Chartered Accountants & Business Advisers  
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**Partners**

Rupa Chamasiri

Alan M Perrott

George P Rochios

Mark W Willock

## Australian Federation of AIDS Organisations Limited (Formerly Australian Federation of AIDS Organisations Incorporated)

ABN: 91 708 310 631

### Independent Auditor's Report to the Members of Australian Federation of AIDS Organisations Limited

#### Report on the Audit of the Financial Report

**Opinion**

We have audited the financial report of Australian Federation of AIDS Organisations Limited (Formerly Australian Federation of AIDS Organisations Incorporated) (the company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

**Basis for Opinion**

We 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 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.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2017.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



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**Partners**

Rupa Dharmasiri

Alan M Penrott

George P Rochios

Mark W Willock

## Australian Federation of AIDS Organisations Limited (Formerly Australian Federation of AIDS Organisations Incorporated)

ABN: 93 708 330 633

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

In preparing the financial report, the directors are responsible for assessing the 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 the 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.
- 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.



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**Australian Federation of AIDS Organisations Limited (Formerly Australian Federation of AIDS Organisations Incorporated)**

ABN: 95 708 350 631

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.

**Rupaninga Dharmasiri**

Partner

LBW & Partners

Chartered Accountants

Level 3, 845 Pacific Highway

CHATSWOOD NSW 2067

Dated this 29<sup>th</sup> day of September 2017

Our reference: 459731\_1



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